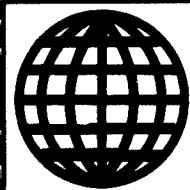


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29 MAY 1990



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BULGARIA

Commission for Forestry, Family Created

90BA0048A Sofia DURZHAVEN VESTNIK
in Bulgarian 19 Jan 90 pp 6-7

[Text]

Ukase No. 98

In accordance with Article 84, paragraph 1, and Article 93, item 6 of the Constitution of the Bulgarian People's Republic, the State Council of the Bulgarian People's Republic decrees:

—The publication in DURZHAVEN VESTNIK of the resolution on creating a Standing Commission on Agriculture and Forestry and on the Commission's membership and leadership issued in Sofia on 16 January 1990 and stamped with the state seal. [signed] P. Mladenov, chairman of the State Council of the Bulgarian People's Republic
N. Manolov, secretary of the State Council of the Bulgarian People's Republic

Resolution on the Creation of a Standing Commission on Agriculture and Forestry

In accordance with Article 76, paragraph 1, of the Constitution of the Bulgarian People's Republic, the Ninth National Assembly resolves:

1) To create a Standing Commission for Agriculture and Forestry.

2) To Appoint for chairman, deputy chairman, secretary, and commission members the following: Dimitur Mikhaylov, chairman;
Petur Tsvetkov, deputy chairman;
Margarita Bakalova, secretary.

Members:

1. Angel Bobokov, from the Commission for Socioeconomic Development;
2. Aleksi Ivanov;
3. Angel Ivanov, from the Commission for Socioeconomic Development;
4. Anka Petkova, from the Commission for Socioeconomic Development;
5. Aleksandur Petkov, from the Commission for Socioeconomic Development;
6. Vasil Kovachev, from the Commission for Socioeconomic Development;
7. Dimitur Kostadinov, from the Commission for Socioeconomic Development;
8. Tseno Khinkovski, from the Commission for Socioeconomic Development;
9. Atanaska Draganova, from the Commission for the Preservation and Reproduction of the Natural Environment;

10. Boril Kosev, from the Commission for the Preservation and Reproduction of the Natural Environment;
11. Boyka Georgieva, from the Electoral Control Commission;
12. Boris Vasilev Iliev, from the Electoral Control Commission;
13. Georgi Kolarski, from the Commission for the Preservation and Reproduction of the Natural Environment;
14. Geno Toshkov, from the Commission for Social Policy;
15. Isay Karamanov, from the Commission for People's Councils and Local Self Management;
16. Kosta Yordanov Manolov, from the Commission for People's Councils and Local Self Management;
17. Dzhenia Khristova Yalumova, from the Commission for the Defense of Social Interests and Civil Rights;
18. Elena Nedeva Boeva, from the Commission for the Preservation and Reproduction of the Natural Environment;
19. Krustyu Mutaftchiev, from the Commission for the Defense of Social Interests and Civil Rights.

3) To relieve from membership in the respective commissions the people's representatives elected members of the Standing Commission on Agriculture and Forestry.

The present resolution was passed by the Ninth National Assembly, 13th session, third seating, held on 15 January 1990 and stamped with the state seal. [signed] St. Todorov, chairman of the National Assembly of the Bulgarian People's Republic.

Ukase No. 99

In accordance with Article 84, paragraph 1, and Article 93, item 6, of the Constitution of the Bulgarian People's Republic, the State Council of the Bulgarian People's Republic decrees:

—The publication in DURZHAVEN VESTNIK of the Resolution on the Creation of a Standing Commission on Problems of Women, Protection of the Family, Motherhood, and Childhood, and Choosing the Membership and Leadership of the Commission. Issued in Sofia on 16 January 1990 and stamped with the state seal. [signed] P. Mladenov, chairman of the State Council of the Bulgarian People's Republic
N. Manolov, secretary of the State Council of the Bulgarian People's Republic

Resolution on the Creation of a Standing Commission on Problems of Women, and Protection of the Family, Motherhood, and Childhood

In accordance with Article 76, paragraph 1, of the Constitution of the Bulgarian People's Republic, the Ninth National Assembly resolves:

1) To create a Standing Commission on Problems of Women, and Protection of the Family, Motherhood, and Childhood.

2) To elect as chairman, deputy chairmen, secretary, and members of the commission, the following:

Evka Razvigorova, chairman;
Elena Lagadinova, deputy chairman;
Khristina Pepeldzhiyska, deputy chairman;
Margarita Petrova Kovacheva, secretary.

Members:

1. Asya Velinova Ilieva, from the Commission for Socioeconomic Development;
2. Georgi Mitov, from the Commission for Social Policy;
3. Elitsa Khristova Mladenova, from the Commission for Socioeconomic Development;
4. Dimitur Nenchev, from the Commission for People's Councils and Local Self Management;
5. Ivan Andonov, from the Commission for Socioeconomic Development;
6. Vasilka Antonova Teneva, from the Commission for Social Policy;
7. Dilyana Gancheva Rangelova, from the Commission for People's Councils and Local Self Management;
8. Kostadin Rupchin, from the Commission for the Preservation and Reproduction of the Natural Environment;
9. Kamen Kalinov, from the Commission for Foreign Policy;
10. Lilyana Dimitrova, from the Commission for Social Policy;
11. Milcho Milchev, from the Commission for People's Councils and Local Self Management;
12. Margarita Bakalova, from the Commission for Spiritual Development;
13. Mariya Kamenova, from the Commission for the Defense of Social Interests and Civil Rights;
14. Mariya Dimitrova Mavrova, from the Commission for Foreign Policy;
15. Milen Georgiev, from the Electoral Control Commission;
16. Neshka Robeva, from the Commission for Social Policy;
17. Petur Atanasov Chobanov, from the Commission for the Defense of the Public Interest and Civil Rights;
18. Svetla Ancheva, from the Commission for Socioeconomic Development.

3) Releases from membership in the respective standing commissions people's representatives appointed to the Standing Commission on Problems of Women, and Protection of the Family, Motherhood, and Childhood.

This resolution was passed by the Ninth National Assembly, 13th session, third sitting, held on 15 March 1990 and stamped with the state seal. [signed] St.

Todorov, chairman of the National Assembly of the Bulgarian People's Republic.

POLAND

Radio Broadcasts for Baltic, Ukrainian Polonia Begin

90P20027A Warsaw TRYBUNA in Polish 8 May 90 p 3

[Unattributed article: "Broadcasts for Poles in East"]

[Text] On 7 May, Polish Radio began broadcasting special programs for Poles [Polonia] residing in the East.

They will be broadcast daily at 1730 (Warsaw time) on the short wave 31 meter band for our compatriots living in Lithuania, Bielorrussia, Latvia, and Estonia.

On the other hand, for Poles living in the Ukraine, a half-hour program will begin at 2100 hours Warsaw time on the short wave 41 and 49 meter bands.

YUGOSLAVIA

Reasons for Tudjman's Excessive Nationalism Analyzed

90BA0019B Zagreb DANAS in Serbo-Croatian 6 Mar 90 pp 16-17

[Article by Jasna Babic: "Return of the Warrior"]

[Text] A doctor of history and a politician with ambitions of becoming a historical giant—the pensive creator of an independent or at least federal Croatian state—he hates that "life's teacher" in only one form: as his own personal past. In fact, if you address him as "General" these days, he will take it as malice or as an insult...

Nevertheless, through the mysterious action of chance (or possibly, of necessary political events), 200,000 members of the Croatian Democratic Community [HDZ] passionately embraced Franjo Tudjman, a former soldier, when the nationally "elated" Serbs rendered the same honor to a former banker. The paradox is that the banking and military potentials are distributed in exactly the opposite way between Croats and Serbs.

If Jovan Raskovic is right when he considers Yugoslavia as a psychoanalytical problem, then it will be difficult for the leader of the "most Croatian" Croatian party to shake off his former rank of general. In a recent VJESNIK poll, someone clearly stated that he would vote for the HDZ in the expectation of a "firm hand," and so Tudjman—in psychoanalytical terms—would be his substitute or replacement for the "imaginary object of desire" that the Croats had, and then suddenly lost.

It is in vain, then, that Franjo Tudjman speaks of himself as a "Croatian democrat," an intellectual, and a "pluralist." Those who accepted him without reservation as the new Croatian messiah recognized in him their own

expectations and will, namely, the power of their collective unanimity, which nothing can upset. The HDZ's first general assembly was a clear indication. Father Ante Bakovic's message of peace to the Serbs in Croatia was interrupted by mass booing. The president had two choices: either to apologize, as an individual to an individual, or, as a leader, to find a justification for his followers engaged in a witch hunt. Awkwardly explaining that the text read should still be "revised," Tudjman, completely in the power of the party masses, chose the second option. Thus, the old method of "differentiation" by booing, name-calling, nightsticks—it is all the same—was again promoted into political life at this first public congress of a Croatian opposition party, as the easiest way of creating a political cosmos with a single nationality and thinking in the same way.

"A Bolshevik," usually states Ivan Zvonimir Cicak, Tudjman's most bitter opponent, with the contempt of someone with a completely "clean" noncommunist past. But isn't it true that the president of the HDZ has succeeded in developing a mass party? Would 200,000 Croats, here and abroad, gather in a collective nationalist trance if both they and Tudjman, precisely as nationalists, did not carry with them something "Bolshevist"—"revolutionary" passion, a longing for the past, and an intoxication with militarism? Tudjman and his party are nothing more than a typical example of post-Titoism, which are appearing similarly in one form or another throughout Yugoslavia, Fromm would say, in a mass escape from freedom into the warm, close, safe embrace of some newly appointed Authority. Instead of Marshal and President Tito, there are the new "fathers" of the people, and instead of the party, there are their new, national "mothers." Just like the program of the dying League of Communists, the HDZ program also cites the glorious moments of the past: and Tudjman, just like the communists, legitimizes his presence in terms of past history—Starcevic, Radic—which has only to be continued. The difference is symbolic. One side talks about the creation of a one-party Yugoslav state, and the other about a national state for Croats. Just like the communist party, the HDZ perceives itself as something more than a political organization, and so its members like to think of themselves as participants in a unique historical movement, a "revolutionary" and "national liberation" movement. That is why Tudjman's noncommunists, in parallel with the communists, are building a mass political "base" and, in order for it to function at all with one voice, it necessarily requires the kind of military discipline which is euphemistically called "democratic centralism" in the socialist countries. It is thus not without significance that the HDZ is the only opposition party in Croatia that explicitly acknowledges the services of the "Croatian leftists" and "Marxists"—and thus Franjo Tudjman, through his political program, shamefacedly renders homage to his own biography, the same one that he would otherwise, as a resurrected politician of the "democrats," he would personally like to erase.

In fact, if he did not suffer from the complex of being a "genocidal" Croat, Franjo Tudjman would probably be enjoying a deserved pension today as a war veteran, and possibly even the pension of a former general. At the time when the Independent State of Croatia was created, "not just as a mere quisling creation, but also as an expression of the historical aspirations of the Croatian people," as the HDZ president stated at his party's congress, Franjo Tudjman was fighting as a partisan, commissar Uco, and from 1942 on, even as a member of the Communist Party, only a little older than 15. After the war, that typical child of the revolution and communist internationalism remained an active soldier with the rank of major, one of the chief theoreticians of nationwide defense and the main personnel officer in the federal defense ministry, which was then headed by Ivan Gosnjak, one of the rare politicians of the "old guard" of whom Tudjman still has a high opinion. "He was a Marxist and a communist, but also a Croat," he recently told a VECERNJI LIST journalist. In 1961, very soon after his promotion to major general, he nevertheless left his military duties. He says that this was at his own initiative; others, however, claim that it was because "his active military service had ended." However it happened, the author of one book already, "War Against War," he devoted himself to scientific work. He dealt with historical research, especially the revolution of the NOB [National Liberation Struggle]. He thus also became one of the founders of the Zagreb Institute for the History of the Workers' Movement, which employed an enormous team of 170 researchers. Their task, in contrast to the Ustasa movement which had discredited the Croatian people so much, was to prove the authenticity of their national liberation struggle, communism, and revolution. For the regime at that time, which existed on the basis of tradition as revolution and revolution as tradition, this was a very important political mission, and so many people remember Tudjman as an all-powerful arbiter and ideologue in historiographic discussions in Croatia. And then something unpleasant suddenly happened—the historian and ideologue became a victim of ideology himself. Specifically, he opened up the issue of the exact number of victims during the war, considerably reducing the officially stated figures, which served the Yugoslav authorities as a vital argument in their negotiations for the payment of war reparations. That digging around in graves and old wounds which inevitably revived memories of what we had done to each other during the war ended in a great debate over Jasenovac. By reducing the officially stated number of victims of the Ustasa crime, and introducing that into the current political games of "Serbian hegemonism" and "Croatian separatism," Tudjman fell into his own trap. In recounting the dead souls, it seems that in some corner of his brain he believed that the guilt of some Croats in 1941 was actually passed on from generation to generation, to new generations and to the entire Croatian people. The crime thus had to be reduced at least quantitatively, just as in the version of the Serbian national tragedy it had to be magnified as much as possible.

Up until the present day, that debate—which is important for history, but completely insignificant for the Europe of the 21st century, of which both Serbs and Croats are allegedly dreaming—has been taking place as a mutual exchange of name-calling. Tudjman has named his historian opponents “unitarists” and “Serbian hegemomists,” and they responded in kind by calling him a “Croatian separatist.” Consequently, together with all the other leaders and the more significant followers of the “Croatian Spring,” in 1972 he went to prison, where he stayed only 9 months instead of the two years to which he had been sentenced. Because of his nationalism and his alleged ties with Ustasa emigres—until recently, all political groups of Croatian emigres were considered Ustasa—he was again sentenced in 1981 to three years in prison and a five-year ban on public appearances. The sentence expired immediately before the beginning of the new “Croatian Spring,” and so Tudjman, as the most prominent of the former communists, appeared again, after 20 years of silence and anonymity, in a theatrical and general-like manner, with great pomp as the founder and leader of the largest Croatian party and a serious competitor for the republic throne, like a living monument to the returning warrior.

And really, as if by magic 200,000 Croats accepted the illusion that the all-encompassing political authority of the communist party—because it was “unitarian”—could be defeated by another firm and uncompromising state and party, only if it was national and unanimous. It also accepted the illusion that the personal tragedy of the Croatian citizens, all those missing political freedoms and the inexorable impoverishment, were the product of the general Croatian tragedy of 1918, the simple mechanism of “Serbian hegemony” and the Croatian republic’s dependence on the federal center. That part of the Croatian people—because not all of the HDZ members are cunning NDH strategists—sincerely believes that the Croats need only Tudjman, as the incarnation of everything that they have been through. A partisan, soldier, and expert on Croatian history and its most glorious dates, he appears before them as the only guarantee of Croatia’s and their own sovereignty. Thus, in post-Titoist times, the individual frustrations, desires, and phobias of ambitious but formerly rejected politicians are coinciding in an interesting way with collective needs. In fear of assassination, Franjo Tudjman goes around surrounded by bodyguards, and his followers see this as a special status symbol: their leader is such an important person that he has to be protected from numerous and unexpected enemies. Even cowardice can become tremendous bravery in the eyes of political believers, and so Franjo Tudjman and his party constitute a classic political symbiosis, which has been seen many times before in this country. Admittedly, he cannot offer a solution to the problem of a small local community, but on the other hand he offers an independent, large, populous national state, since for a “Bolshevik,” and furthermore a historian who is obsessed with

his own historical role, like his entire generation, everyday human life is too insignificant and trivial a thing for a statesman.

To that extent, Jovan Raskovic is right: all the Yugoslav nations and all their leaders, in these irrational times, are much more of a psychiatric phenomenon than a political one. They would all like to become living monuments of the “paternal” love that has never been as much within reach as it is today. But Franjo Tudjman is not even a real general. Although this does not mean anything to his followers, his rank was taken away from him in 1973, according to the Yugoslav National Army. The former party soldier is now the commandant of the “most Croatian” part of the nation.

Situation of Moslems, Interethnic Relations Examined

*90BA0018B Zagreb DANAS in Serbo-Croatian
6 Mar 90 pp 11-13*

[Interview with acting reis-el-ulem Jakub Selimoski, by Mustafa Mujagic, in Sarajevo, date not given: “We Are Muslims”]

[Text] Jakub Selimoski, acting reis-el-ulem, is a distinguished figure not only because of his age (he was born in Kicevo in 1946) and education (university education in Cairo), but also because of his judgments expressed earlier about events in the Yugoslav Islamic Community and society: he does not hide that the long-standing lethargy of the religious organization he now heads has to be broken up, that it has to be freed of anyone’s tutelage. Should he be elected, he will be the first reis who is not from Bosnia-Herzegovina. Something like Pope Wojtyla. “In the Islamic Community, several ethnic structures are represented, which we consider our own wealth, and for that reason we cannot look kindly on anything that happens on the Yugoslav scene to Islam and Muslims which are the consequences not of day-to-day politics, but of long-term strategic interests of certain participants in certain communities,” says Selimoski. This clarifies many things, but not the fact that there are many Muslims who feel that the Islamic Community is not reflecting their authentic interests.

“The Islamic Community has always tried to bring the faith and the people closer together. In certain periods and under circumstances which are now well-known of the differing treatment of the religious communities, it was forcibly prevented from making independent decisions. After the war, the Islamic Community acquired a Yugoslav dimension. It was not institutionally bound to the ethnic element, but retained exclusively its spiritual nature. One reason for this is that Islam does not recognize the concept of the nationality. Its existence, then, had to be bound up with the system; and in order to protect itself, it identified with certain political givens. That is why I do not consider its previous activity weakness, but astuteness. Those were times when the sole imperative on this terrain was to survive.”

[Mujagic] You are alluding to the emigration to Turkey?

[Selimoski] Not only that, although the emigration of Muslims and society's indifference to their destiny are a shameful fact whose true character will probably be ascertained one day. After the war and the revolution there was a large emigration of Muslims from Macedonia and from Kosovo. This was not a voluntary emigration at all, since I do not know who would emigrate from his country voluntarily. Rather, it was a kind of expulsion in an atmosphere of nationalistic euphoria, and also of infringement of basic religious rights and freedoms. Muslims were also moving out of the Sandzak right up until 1966. The attitude toward that set of problems is indicated by the fact that there are still no precise figures on how many people emigrated. It is thought that 150,000 Muslims emigrated from Macedonia, while about 200,000 Muslims moved out of the Sandzak in all the waves of migration. More recently, the directions of emigration have been primarily toward Bosnia-Herzegovina, Croatia, and Slovenia, where these people find better conditions for work, but also a higher level of tolerance toward their religious life and the customs that go with their faith.

[Mujagic] Their migrations, it is said, were motivated by economic considerations.

[Selimoski] I would like to believe that, but I cannot ignore the atmosphere which is being created for Islam and Muslims in certain regions. Thus, on many occasions there has been persecution of those manifestations and features which reflect Islamic culture (housing, mode of dress,...), as well as those manifestations which are related to Islamic doctrine (religious doctrine, religious rules concerning food). When we add to that the frequent insistence on what is called the historical guilt complex (abandoning the faith of their forefathers), and numerous incidents visibly directed against Muslims (the singing of offensive songs, the devastation of cemeteries or religious structures) to which the public and the authorities have not reacted appropriately, then one can understand that the conditions still exist that motivate Muslims to move out of certain areas. The Islamic Community has a duty to react to all those attempts to encourage the respect for the rights of citizens to their religious conviction and the practice of their faith, as well as the rights of our religious community, i.e., our collective right to operate under conditions equal to all other communities over the entire territory of Yugoslavia. The second part of this problem, i.e., the political purport and significance of these manifestations and the attitude toward them, does not, of course, lie in the domain of operation of the Islamic Community, although it cannot be neutral toward certain social attitudes and patterns of behavior, and it is required to evaluate their work in part on the basis of those attitudes.

[Mujagic] You insist on the attitude of Islam and Muslims toward man's personal rights and integrity?

[Selimoski] At a time when those rights are being violated with political overtones, when human lives are being threatened on the basis of political assessments of their behavior, the Islamic Community cannot be silent about the human content and doctrine of Islam. It cannot remain calm and neutral, nor fail to say that it cannot tolerate a behavior which seeks to resolve political relations by the application of force. Islam and Muslims are opposed to all extremism, all violence. Yet such cases have been recorded, and they have not been appropriately explained and punished. Therefore, in future Muslims will express their disagreement with every violent action both toward the state and its interests and also toward individuals, whose rights are guaranteed under the Constitution and laws, as well as by the general principles which the world supports and accepts.

It is well-known that Islam is an extremely tolerant religion, although some people would like to represent it quite differently. Medieval Bosnia received into its bosom the Jews driven out of Spain in the 15th and 16th centuries, churches, monasteries, and convents were preserved and numerous churches were built with donations coming from the authorities, including the sultan himself. In the Cazin area, as well as in many other places where Muslims have been or are in the majority, there never has been any expression of religious or ethnic intolerance, and so on, and so forth. There are numerous such examples both in history and in the present, but few people want to see this. We will be constantly promoting that kind of option and reacting when there is a threat either to Muslims or non-Muslims.

[Mujagic] What is your opinion about the ideas of Tudjman, Draskovic, and similar people who have been promoting themselves in our area?

[Selimoski] I take the position that any reasonable man will refuse unqualifiedly all those and similar options which, to be very brief, are an attack on all common sense. The statements or positions of Tudjman, Draskovic, and similar people go directly against those universal truths by subordinating some people, indeed entire nationalities, to others, while they ignore other nationalities as though they do not exist, or by offering a return to the "ancestral faith," the "parent nationality," and so on. This is accompanied by a redrawing of borders and the taking away of entire areas, and all of that is wrapped in the guise of some kind of "historic" right and correction of "historic injustices," theories of "soil and blood," and whatnot. Yet it is clear to everyone that this would result in a general ethnic cataclysm and fratricide, that is, a war in which we would all lose. It is incomprehensible that the people offering such options have not learned from our recent bloody history, although many of them were actual participants in those events.

We support democratic processes. It is in that context that we view certain emotional-and-psychological and other leanings of people who would like to arrive at true democracy as soon as possible, and who in their

euphoria have been applauding something which is a most direct denial of the democratic process. We profoundly believe that as soon as these people cool off a bit and think it over soberly, they will oppose it with all their being. As for the Muslims and the Islamic Community, we can only be in favor of Yugoslavia, indeed AVNOJ [Anti-Fascist Council of People's Liberation of Yugoslavia] Yugoslavia, in which we are all equal regardless of nationality or religion. Muslims today live and work in all the republics and provinces, over the entire territory of Yugoslavia, and that is why we consider only Yugoslavia to be our homeland. We are, of course, deeply offended by any denial of our identity and our faith, but we never think of responding in kind, since that would be sinking below any civilized level. In the era of entering Europe and in the era of the general integration of peoples and cultures, the mythomaniacal mindset of the small town is unfortunately still being exhibited in our country, and tribal passions and atavistic impulses have been flaring up, which I consider impermissible. This is an anachronism of which we must free ourselves as soon as possible.

[Mujagic] The events in Kosovo are being related more and more frequently to Islam, the obvious message being that there is an international plot aimed not only against Yugoslavia, but indeed against Europe.

[Selimoski] There is nothing in Islam that would encourage a premeditated aggression against a person or territory, except to defend the area where one lives and exists, that is, to defend one's own home. When I say this, there is no need for me to give my reasons for the request that you do not draw me into a debate about such nebulous matters.

[Mujagic] Nebulous or not, they are not harmless in the least since they are the basis for demands to reassess the country's foreign policy.

[Selimoski] The Islamic Community is interested in developing cooperation, both its own and also of our country, with Islamic countries on the basis of the general principles of intergovernmental cooperation and understanding. This interest is logical, and it also follows from the fact that Yugoslavia's Muslims are not and cannot be indifferent to the fate of other Muslims in the world and feel a certain solidarity with them. In that respect, there are sometimes double standards applied in our public life in evaluation of phenomena in certain countries and the attitude taken toward them. Often, every manifestation of the desire of Muslims for independence is superficially described as some kind of extremism and separatism, while in other similar cases involving non-Muslims a certain understanding of those situations is displayed.

[Mujagic] Do you feel that the Islamic Community has anything at all to do with separatism, or are the Albanian Muslims, in their public activity, actually striving for an equal position with others!?

[Selimoski] The Islamic Community can in no case be associated with separatism since the members of our community live in all parts of the country, and in that case they would be working against their own interests. We neither support nor accept anyone who is inclined to separation from Yugoslavia and from the Islamic Community. I should also say that since 1981 not a single Islamic religious officer nor any student of the Pristina Seminary, as far as I know, has taken part in anything which the official authorities have judged to be negative, nor has any of them been charged or punished on any grounds whatsoever. To be sure, one student of the Alaudin Seminary was killed at some point, but the official authorities never told us how. The indicative thing in all of this is that the religious officers from Kosovo, who are under jurisdiction of the Islamic Community of Serbia, have never requested any separate religious organization of their own, in particular they have not asked for an organization which would have the word "Kosovo" in the title. Nevertheless, people have been extremely hasty in pinning labels on us. When we display a certain indefiniteness concerning certain events, then we are told that we are shut off, when we present our own views, expressing dissatisfaction because of something which is against Islam and the Muslims, then this is proclaimed militancy or all kinds of other things; the Islamic Community is called an instigator of separatism, and the mosques are referred to as centers of indoctrination.

[Mujagic] Do you agree that that is a response to only a part of the question?

[Selimoski] I do not think that the sin of the Albanians has been their effort to make their contribution to the overall social and economic transformation of the country. As far as the Islamic Community is concerned, it will strive in the future for creation of a climate of trust among all people living in this region, and in that context for respect of the Albanians, of their cultural and religious achievements, and their traditions. As for recent events, we have expressed our concern and have made our contribution to calming down the situation. As I have already said, for Islam all violence is wrong and to be condemned. Violence is alien to Islam, and Islam has never resorted to it. If we continue repression without dialogue, Kosovo will always keep happening over and over again. Incidentally, history gives evidence of this: wherever essential relations have been resolved by force, fortune never smiled on people's life together in the future. Violence is not necessary anywhere in Yugoslavia, including Kosovo, and we especially do not need bloodshed, regardless of who starts it. There have to be talks, and people have to be listened to. They are better than it seems at first.

[Mujagic] What is your assessment of the possibility of the activity of religious communities in the absence of ideologization and political monopoly and when laws on religions are no longer interpreted so as to reduce everything to religious matters in the strictest sense?

[Selimoski] We have a favorable assessment of the processes taking place and leading toward an opening up of society. Ante Markovic is instilling particular optimism with his program. If such a concept had emerged earlier, I am convinced that there would be far fewer problems today. Man, his freedoms, among which the expression of religious sentiment is an integral part, must be at the center of all those changes. Experience shows us that one-dimensional solutions must never again be imposed in this region, views of the world based on a single doctrine, regardless of its origin. I do not favor abolishing Marxism in the educational process at any price, but I do favor its being an elective rather than a required course.

[Mujagic] How does the Islamic Community look upon the multiparty system?

[Selimoski] Muslims are mostly in favor of the Yugoslav option, but the design of the future social system is a matter for the overall interests of our country's citizens. It is obvious that the one-party system is not an expression of human aspirations, since uniformity and sameness are alien to human nature. That is why I favor establishment of new forms of expression of diverse interests and inclusion in European and worldwide processes of cooperation and convergence of nations.

I am convinced that Muslims will also become involved in those processes. I want to see religious people, not the institutions of religious communities, involved in political life. Under those conditions, I think that it would be a great mistake to make religion official and abandon the form of a lay and secularist state. We must know more about one another in order to respect and appreciate each other more. As a religious community, we must present Islam and Islamic culture to the public and call attention to all its virtues. This is not Islamic aggression, but an achievement of civilization. Without any sort of complexes about the past, which some would like to force upon us, since it is our obligation to show who we are and what we are, to express our legitimacy, to state what values we believe in and what we belong to. In so doing, of course, we are not forcing anyone to think like we do.

[Mujagic] How in that context do you look upon the cases of discrimination against the cultural identity of Muslims?

[Selimoski] There are Muslims as a nationality, but also Muslims who are Albanians, Macedonians, and Turks.... What they all have in common are certain rules of life, behavior, and diet.... The first concern of the Islamic Community are the conditions under which the members of Islam live and fulfill their Islamic obligations. In that sense, we have different situations in different parts of our country. Those differences are in part the result of historical conditions, but also in part the consequence of the views that have prevailed in the political and other circles in those communities. People in those areas are utterly unable to reconcile themselves to the truth that

Muslims also have their own culture and tradition and certain commitments in common that have to do with what they are. They demand and desire that Muslims, if they want to have a place in the broader social environment, must renounce their own cultural characteristics, which are founded in Islamic spirituality. That is how walls and enclosed courtyards come to be torn down, that is why unnatural means are being used to limit the birth rate, the birth of children, which is proclaimed to be Islamic collusion with separatists who are systematically trying to gain numerical superiority. How many precious structures of Islamic architecture, authentic cultural treasures, have been torn down and destroyed with that kind of motivation, to the point where today, in an altogether Muslim environment, it is difficult to find an authentic atmosphere to shoot films about our past, and I will not even mention other things.

And then there is this: Islam is no more in favor of a high birth rate than other religions, it is even much more democratic in the sense of family planning, and it leaves that to the free choice of the spouses. The broader community has a right to raise this problem, but the number of children an individual will have is a question of his choice, culture, and outlook. Incidentally, sociology long ago established the causes of the high birth rate. As we recently heard in a meeting devoted to so-called Islamic fundamentalism, even in South Africa the birth rate is extremely high, although there are no Muslims there.

[Mujagic] It is thought by some that intensive construction of religious buildings is precisely a consequence of the high birth rate of Muslims.

[Selimoski] I would be happy to hear that it is so, but the truth is quite different. After the war, Macedonia, say, had about 500 Islamic religious buildings. Today, after all of that "enormous" construction, there are only 440. And just think how the population in Macedonia and the number of Muslims there has increased since the war! And even here in Sarajevo, so I am informed, not a single new religious structure has been built since the war. And this is not confined to Islamic structures. But just take into account how many new settlements we have, entire new cities where we do not have a single religious structure. Nor is that all: often the social community turns a deaf ear concerning our justified demands for protection of the cultural legacy. In the Gazi Husrevbeg Library, one of the richest and most important libraries of that kind, not only in our country, but also more broadly, historical material of inestimable value is going to ruin because of the bad conditions: we have cans of lime in order to protect written documents. It is more than 10 years now since we applied for a construction site to be approved for us, even on land which is the property of the Islamic Community, without seeking any sort of public subsidies. In Belgrade, for example, where a century ago there were some 100 mosques, there remains only one, and it is unable to meet the needs of the 100,000 Muslims, a considerable number of whom practice their religion.

We have appealed to all the competent institutions. We nourish a great hope that people will look seriously at this problem and realize that a beautiful and impressive mosque is again not only for Muslim believers, but for Belgrade as a whole. Unfortunately, we are experiencing a repetition of the situation which we had in obtaining the permit and during construction of the mosque in Zagreb, when there were similar problems. Now we all agree that those problems were altogether unnecessary, and the esteemed municipal authorities have already said on many occasions that the mosque is a structure of which Zagreb is proud.

Vojvodina Official Abolishes Nonproductive Positions

*90BA0127A Belgrade NIN in Serbo-Croatian
13 May 90 pp 25-26*

[Interview with Radoman Bozovic, president of the Vojvodina Executive Council, by Stefan Grubac; place and date not given: "Rehabilitation of the Vojvodina Brain"]

[Text] Dr. Radoman Bozovic, the president of the northern Serbian province's Executive Council, is one of the most adroit younger politicians in our country, and especially in his narrower political area. As a "reformist," he elicits two completely polarized views of himself, or rather, two attitudes. First, let us cite the one that he cites himself: rejection by those who lost their privileges, influence, and power with the appearance of the new policy, and of Bozovic as part of it. To them, he is also the symbol of that new policy, which took all the above-mentioned things away from them, and they express their attitude toward him through intrigue and hatred.

To many others, Dr. Radoman Bozovic is an initiator, as we have said, of reform! He did not anticipate dealing with politics "at this level" to be part of his biography, since he worked as a professor at the Subotica Economic School, and the scope of his work there was quite sufficient for him. When he speaks about politics, he speaks with the air of a gifted lecturer, ending with the obligatory clarification by simplifying things.

Dr. Radoman Bozovic has already made his radical contribution to the reform effort in the Serbian Republic. Noting all the dead weight in the political bureaucracy, he made a real "surgical" cut, eliminating almost 600 unnecessary political jobs. "These were useless jobs," Dr. Bozovic emphasized, "and not useless people." Let us look a little further into that "cut"!

[Grubac] Dr. Bozovic, this is undoubtedly the most radical attempt made so far in Serbia to deal with the political bureaucracy. Which problems does this solve, and which ones does it create?

[Bozovic] It is a question of the labor market. The state has to know how much it costs for it to function, and what the real result is. The first task, of course, is to

eliminate expensive jobs, and not unnecessary ones. I wish to emphasize at this point that this is not a question of useless people, but of useless and completely unnecessary jobs. The state is a real master at inventing such jobs, instead of getting rid of them. Since in effect Vojvodina has been a state for more than a decade and a half, it was also filled up with those unnecessary jobs. The results of getting rid of unnecessary jobs are enormous.

Let us just take what can be seen at first glance: in the first place, those jobs will not take wages (income) away from the economy, and next, those people will be useful in their jobs at enterprises, when they will really make use of their work. Admittedly, federal law allows receiving wages even 2 years after "demobilization," and so in the beginning the psychological effect will be more significant than the financial one. Real reform of the political and social administration will only come when a new constitution allows a new kind of operation. It really is incredible what we have had: hunting preserves, houses, villas, resorts... All of that required, and still requires, certain jobs. We even had a professional adviser at one hunting preserve here! What did that professional adviser give professional advice on at that hunting lodge? And, in general, how many people were required in order to maintain all that, and how much did all of that cost?

[Grubac] Naturally, the people were expensive, but so were the facilities. Won't those facilities probably be eliminated as well with the departure of the people? What will happen with those luxuries?

[Bozovic] Those facilities are also a significant item. How can those facilities bring in money instead of taking it away? That is not a problem that is easy to solve. Those facilities should be sold off: let whoever wants to work at them do so and create money.

[Grubac] You mentioned psychological effects. How else are they being reflected?

[Bozovic] That stratum of society that was privileged, that had a secure and relatively high income, should appear in the labor market on an equal basis with everyone else, and should share everyone's fate. That is probably fair.

[Grubac] To put it crudely, how much income will this move of yours free up?

[Bozovic] At first glance, enough income for a large factory is being freed up in this way. Now, how many jobs is that—productive jobs? And it is not exactly hard to think of how many such factories or shops can be created in Serbia, and in Yugoslavia.

[Grubac] Do you have a review of the situation—where will those who left the useless jobs go now?

[Bozovic] Some of them are leaving for other, useful, jobs, and some are retiring. Some of them will take advantage of that two-year law, and receive wages.

[Grubac] You obviously view the whole matter as a broad process within the Serbian Republic's reform?

[Bozovic] Absolutely. It is necessary throughout our entire republic—as quickly and as well as possible. I propose not researching it a great deal. I am not a champion of over-long research where one can see with one's bare eyes that something is useless. That example is being followed in many opstinas here in the province, and I think that it should be done everywhere. We are requesting that the Vojvodina Assembly see what the opstinas are doing in accordance with what the Executive Council did. We are in a position, and have an obligation, to seek that truth at every enterprise, because there is no more doubt that it was an irrational concept for the last 20 years. It was voluntarism. It is clear that a state-oriented structure was created in the Vojvodina economy. And now, the Federal Executive Council's measures have eliminated inflationary financing of the economy, and so now the main thing is to arrive at the truth. It is necessary to cure enterprises "surgically" so that they can function on a market basis.

[Grubac] Many people are trying now to arrive at the truth and portray the situation in its entirety, and are attributing the finding of that truth (performance) to the new policy.

[Bozovic] That does happen, but it is laughable. The new policy has existed for a year and a half, but the old one existed for over 15 years. We know that during the last 15 years factories misrepresented their performance, and it is well known that "successful operation" was contrived. At some enterprises, they are trying to blame people who have only been there for a year. That thesis is essentially a matter of petty politics, and not an assertion that can be defended with arguments.

[Grubac] It is well known that one more thesis is being advanced, that Serbia intends to take something from the province's economy.

[Bozovic] Yes, those rumors are being spread: that is, supposedly, a result of the new Serbian policy... But the truth is as follows: the Serbian state is not using a single one of its instruments to seize any of its province's income. Those are fabrications, whose aim is clear. I think that it would be better for us to emphasize a different fact. During the last 10 days or so, we have gained 350,000 billion old dinars as a result of the state's relieving the burden on the economy.

[Grubac] How is the reintegration of the Serbian Republic progressing? How much has been achieved?

[Bozovic] Significant political steps have been taken at the republic level. They are only initial steps, however! They still lie in the normative sphere. The real results will be seen when they develop from norms into practice. It is not enough just to have uniform legislation... Reintegration will only start to be alive throughout the

entire republic: it is a comparative advantage for Vojvodina, as the most developed part of the republic. That will have, and demonstrate, a developmental advantage for Serbia as a whole as well. Only then will we see positive results and all the advantages of a unified Serbian state in transportation, infrastructure, oil, chemistry, the economy in general, science, education, and health care. In all of these and other areas, literally, Serbia can only gain. It is necessary to eliminate all the barriers that have hindered Serbia from functioning as a unified state. Serbia's resources for development are enormous. Perhaps here we can say that Vojvodina's economy is paying a great deal as a result of the long-standing separatism, because people hurt themselves just to demonstrate antagonism toward Serbia. The consequence of that policy was the (cheap) departure of the raw material base to those republics which today are allegedly concerned about Vojvodina's being part of a unified Serbia.

[Grubac] Dr. Bozovic, are we facing constitutional changes again?

[Bozovic] The new Serbian constitution has to complete the establishment of Serbia as a modern state overall. The entire reform effort has to be laid out in the new constitution. It is necessary to eliminate everything that does not ensure a modern concept for the republic. That is a precondition for a sensible, comprehensive reintegration, the final outcome of which will be a modern, efficient authority in a political sense. It is necessary to purge everything that was a product of the agreement on triple statehood in Serbia. That is also a prerequisite for political pluralism, since that cannot exist without a modern constitution that establishes Serbia's statehood throughout its entire territory. That constitution has to exclude any form of the legalization of any form of a separatist position with respect to Serbia.

[Grubac] Aren't some statesmen confusing pluralism and separatism?

[Bozovic] Those forces, especially the so-called alternative in Kosovo and Metohija and partly in Vojvodina, which expect political pluralism to mean that pluralism of a multiparty type would bring about the legalization of separatist options must know that it will not be possible. It is simply necessary to separate the multiparty system from separatist options with respect to one's state. (The essence of the autonomist policy is separatism with respect to one's state.) I repeat that the new constitution has to eliminate any possibility of the separatist splitting of Serbia. It would also be necessary for us to do something like that for our federal state as well.

[Grubac] How do you view the news media in all of that?

[Bozovic] The rule-of-law state is the instrument of those forces in society which are gaining the trust of the people, and there is where we are arriving at the formation of public opinion. It is impermissible to make gestures of one kind or another in the name of "dependence" or

"independence"—as was logical in a party state, where the news industry was a technical instrument of that monopoly. The news in Vojvodina is an example of this... The structure of the rule-of-law state, including multiparty organization, makes the talk about the "dependence" of the news media irrelevant. It is necessary to pass a law on news reporting in the republic as soon as possible.

The news media should return to the state. That will surmount the atmosphere in which the news media will be a weapon of the day's balance of power, in an area or in society in general. That talk about "independence" are for the afternoon. The news media's responsibility for truth in the service of the state is something that cannot be derived from the talk about "independence." Discussion of editorial errors has to be based on a professional attitude toward work, while knowing what is in the state's interest, and not in accordance with the political balance of power at Novi Sad Television. A recent Novi Sad TV daily news program is an example of this. What is in the state's interest cannot be a matter either of the political beliefs of an official at Novi Sad TV, or of a state official. That is why it is surprising that so much energy is being expended, instead of calling things by their right name. Our editorial boards are still working on the basis of the political balance of power within those publishing houses, and not the interests of the state.

[Grubac] Isn't that a failure to reconcile themselves with this policy?

[Bozovic] One thing is clear: this policy is an expression of the citizens of this province and the citizens of the republic, and no one can call the republic into question.

[Grubac] Who is responsible for the errors at Novi Sad Television?

[Bozovic] The managers are responsible, and not the journalists as a profession; and responsibility has to be designated. That is why it is surprising that a current journalist with a current assignment should be the one who is responsible before everyone else. The responsibility lies with the creators of editorial policy and with the Socialist Alliance of Working People.

[Grubac] The "independents," however, are disputing the Socialist Alliance's right to interfere in their work; they have even explicitly stated that they do not recognize it.

[Bozovic] One cannot prohibit the Socialist Alliance from doing its job, under the guise of democracy, as long as that is its right. After all, I do not know of a single democracy in which the news media have been literally "independent." Here we have political programs and actions being offered, which by the nature of things do not arise from the news media. That is a political option. None of them were concerned about the profession, but rather about a given policy. That is the reason why that law on news reporting is necessary... Above all, the news media themselves need it. We have to make sure that the rule of law, and not the rule of some political group, dominates the news media as soon as possible.

POLAND

Interaction Between Soviet Troops, Residents of Legnica Viewed

90EP0503A Poznan WPROST in Polish No 13,
1 Apr 90 pp 15, 18, 19-20

[Article by Boguslaw Mazur: "Little Moscow: Does Legnica Like Russians"]

[Text] "I have never talked with any Pole as I have talked with you," says Sergey, and he adds "To be sure, from time to time someone comes and knocks on the door, but only in order to ask whether I have anything to sell."

We are sitting with cups of tea in his apartment. He lives in an old, dilapidated house practically in the center of Legnica. The entrance is through a dirty, smelly staircase, in which some of the stairs have been replaced with loose bricks. Sergey is embarrassed by the stairs and the bricks; he explained that the military should repair it, but does not because Sergey's apartment consists of a kitchen, a room, and a bathroom. The furnishings are very average, old furniture, in the corner a color television set, but it is only a military apartment. Sergey suffers most from the lack of hot running water; the boiler he installed provides too little. Nevertheless, he is satisfied because he lives alone with his wife. Other Russians in Legnica sometimes live together three families in an apartment.

Sergey is a young worker, a Russian. He came to Poland to provide services for the Soviet Army as a civilian employee. His wife also works, but their child stayed in Russia because only the soldiers can bring their children. Both long for their child, but what can be done; they have to think about the future. Work in Legnica for Sergey and his wife is a Volga car, which they can buy after a couple of years in Poland and take home to the Soviet Union. They are not collecting the money for a car from their wages (nearly 400,000 zlotys) but from buying and selling. Now Sergey has two television sets for sale. Poles have already come; they offered him 1.8 million zloty but he wanted 2 million. And so things go. He is satisfied with his time in Poland, although two years ago he tried to go to the GDR. He worried when he was finally sent to Poland, but now in Poland things have improved; there are a lot of goods in the stores. They are expensive, but they are available. He wants to buy a car, some clothes, little things, and return to Russia, to his native city, his apartment, and his child. What does he think of the presence of the Soviet Army in Poland? He is for withdrawing it; before it defended the political order; now there is not anything to defend. But to defend Poland from the Germans? Sergey shakes his head; no, no he does not want his country to get involved in Polish-German affairs. It is better for Poland to take care of them herself. In fact, he does not like great politics because he associates it with, for example, Afghanistan.

The people in Legnica say various things about the Soviet Army. Franciszek Grzywacz, a member of the Citizens' Committee in Legnica, is for the withdrawal of Soviet forces.

"These forces have been here so far for political reasons; their presence defended the old order," he argues. "As regards fear of the Germans, it has appeared in Legnica. I think, however, that if we cannot defend ourselves, then no one will defend us."

Jaroslav Jarosz, the deputy president of the city, lists the burdens associated with the military.

Many buildings have been destroyed, and also a part of the water and sewage system in the Soviet areas, which the Soviet military does not keep up, although it should. It is difficult also to accept that the city budget receives not even a single grosz for the presence of the foreign forces since all of the money paid by the USSR goes directly to Warsaw. The deputy president thinks that the majority of the people desire the soldiers with the red stars to leave Legnica.

Unfortunately, there have been some criminal cases. There are bloody stories about how a Russian in the 1960's shot four Poles during business dealings and then shot himself, or how near the end of the Gierek era a Soviet soldier shot two militiamen and was then surrounded in a forest by "his" snipers and filled with holes like a sieve. There are other cases, for example, the recent fatal accident of a young glider pilot caused by the improper flight of a Soviet fighter.

Such events, however, are rare. Most of the cases are road collisions caused by young soldiers. There was once a case of sales of fake gold. Poaching using automatic weapons by Soviet citizens continues to be a regular plague.

Russians in turn frequently become victims of Polish criminals.

Their apartments are commonly robbed by youth gangs which steal everything from television sets to shoes in broad daylight. There are also cases of convertible-currency fraud or framing Russians for others deeds. There is the recent, well-known case of a group of Polish criminals dressed up in Soviet uniforms who made several brutal attacks on the Wroclaw highway, including attacks on citizens of Western countries.

The presence of the Russians is not just a source of worries, but also of numerous benefits, one might say. In short, more than one person in Legnica has built himself a villa by doing business with the Russians. Legnica has been the Polish center for trade in gold with Russians. The Russians have been important customers for boutiques, stalls, customs warehouses, and as an army for the farms and some factories. And although for the last two years they have been buying much less, many of the sellers of bluejeans, for example, would feel the absence of the foreign language customers quite strongly. A stall

on the edge of the city near the barracks provides greater profits than one in the center of the city. Earlier, when goods were short, the Russians were viewed with displeasure in the stores; there were conflicts in the lines, but now when meat spoils on the counters and the hangers in the stores are weighed down with clothing, every customer is valuable. Business with the Russians has always flourished here, even in Stalinist times. Average people do not always understand politics, but they understand mutual needs all too well.

Alongside of the strong mutual current of business runs the narrow stream of Polish-Soviet social life which occasionally produces a mixed marriage. On the Soviet side, they are most frequent among the civilian employees, the engineers, the doctors, the craftsmen. Until recently, the Soviet military authorities looked askance at such marriages. Once a Russian who informed his superiors that he "had" to marry a Polish woman was convoyed deep into the Soviet Union. His energetic bride from Poland, however, went after him, found him, and married him. In recent times, the barriers to such marriages have been somewhat less; there have even been church weddings, which was unthinkable before.

The common Polish-Soviet life in Legnica is multicolored. Here Russians are viewed in different ways. Some want Poland free of foreign forces; others fear the Germans and look at the forces from beyond the Bug with a favorable eye; others want to do business with the Russians; others are counting on the apartments the Russians will leave behind. Perhaps that is why the demonstration of Freedom and Peace was unsuccessful?

On 23 February 1990, under the monument of two Red Army soldiers with a child, several members of Freedom and Peace unfurled a sign and began to demand, shouting various slogans, the withdrawal of Soviet forces through loudspeakers. A crowd of several hundred gathered, but remained passive. In fact, only a couple of dozen people clapped or shouted. Even the desperate question shouted through the speakers "Why are you standing so far from us?" did not help.

Finally, a parade of a few dozen formed which stopped on the steps of the Soviet command five minutes later. And here it turned into a farce, for not only were there few demonstrators in spite of the afternoon hour, but also a group of drunks lead by a fat man in glasses began to storm the microphone. He called for taking the apartments away from the Russians by force, which caused consternation among the members of Freedom and Peace. They quickly declared they were against such illegal action. That in turn caused the other drunks to begin shouting epithets, and the fat man began hitting people. At the climatic moment the members of Freedom and Peace appealed to the militia for help (!), but when they did not receive it (they had agreed the previous day to provide their own security), they dissolved the demonstration.

The group of drunks immediately disappeared. But they were not the cause of the people's passivity. Then what was? In the *TYGODNIK OBYWATELSKI* which recently began publication in Legnica, a young resident of the city wrote, "Acting and then later drawing conclusions is a sad trait of the Polish nation. But not always. We trade cries of 'to Kiev' for 'to Berlin' in order a few decades later to again cry 'to Lvov.' We trade 'Jews to Madagascar' for 'Russian tanks to the Volga.'"

"Who shouts these things? We, the young, the resentful, the angry, do. We, Freedom and Peace; we, punks and skinheads; we, anticommunists. . . . It makes me laugh, and then comes the sad thought. I live here. Our parents built us beautiful houses thanks to dealing in gold; and we watch TV-SAT on television sets smuggled in from the USSR; we stuff our mouths with Russian candy, and we yell 'Russians go home.' . . . Ten years ago, I climbed over the wall of the Soviet barracks and returned home with a bag full of meat, candy, and canned milk. In those days, I used a Russian pen and Russian ink in school . . . , and Polish girls gave themselves to Russian soldiers for a pack of cigarettes. . . . In fact, I have become accustomed to having the Russians in this city; but I will never get used to the sight of Poles selling whatever is available on the steps of the Church of the Virgin Mary."

"You have to understand the city," says Adam Gorski, a member of the Legnica chapter of the Democratic Center and an historian. "After the war before the first settlers came, the Russians were here already. Their obvious presence gave the city a border character, a sense of temporariness, and that affected the awareness of the residents. Throughout the 1960's, intellectuals fled, and the sense of transience remains, especially among the older and middle generations. Thus, fear of the Germans is authentic. It is a fact, and I do not think that demonstrations in the manner of Freedom and Peace are a solution. We should rather strive to coexist with the Russians, although on completely different principles than before. The city should begin to live normally."

"Legnica—Little Moscow," the people of Legnica say of their city. It is hard to say how many say it with bitterness, and how many with good-natured irony.

Costs, Effects of Stationing Soviet Troops Discussed

90EP0488A Warsaw ITD in Polish 1 Apr 90 pp 10, 12

[Interview with Colonel Henryk Urbaniak, director of the Office of the Plenipotentiary of the Republic of Poland for the Stationing of Soviet Troops [in Poland], by Tomasz Kubaszewski; place and date not given: "With Government Approval"]

[Text] [Kubaszewski] The Russians entered Poland in 1944, while the detailed regulations controlling their stationing in Poland were passed in 1956...

[Urbaniak] There is little to be said about that first period, if for no other reason than the fact that the Office

of the Government Plenipotentiary was only created in 1956. Until that time, the Polish government was represented by a delegation which operated under the leadership of the Soviet armies in Legnica. During these years, the Russians did not pay a land annuity or damages for losses or harm. Nor did anyone really know whether they were bound by Polish law.

[Kubaszewski] Did the 1956 agreement conclusively regulate most of these issues?

[Urbaniak] Yes. The "Agreement Concerning the Legal Status of Soviet Armies Temporarily Stationed in Poland," signed on 17 December 1956 by both governments, and published in DZIENNIK USTAW No. 2, dated 29 May 1957 (before this no document having a similar status existed), includes two fundamental provisions. The first is that persons who are part of the Soviet army and their families are obliged to abide by the regulations of Polish law. The second is that the government of the USSR is to cover for the Polish government all costs and losses associated with the stationing of the Soviet army in Poland. I believe that this agreement, together with a series of supplemental normative documents which accompany it, essentially secured Polish interests associated with the stationing of Soviet armies. On the other hand, there is a problem regarding the full execution of particular regulations.

[Kubaszewski] How was the local government to know what to demand from the Russians, since most of the orders were secret?

[Urbaniak] Only agreements covering the number, the placement, and the procedure for executing the movement of Soviet armies and agreements on their use of the means of communication possessed a strict proviso of secrecy. On the other hand, those regulations in which the principles of legal responsibility, payments, and the covering of losses were stated should be known to the interested local officials, if for no other reason than for the fact that the text of the basic agreement was published in DZIENNIK USTAW. I say "should be known" because it recently was discovered that not all voivodships have the full complement of documents available.

[Kubaszewski] It is a little late, is it not?

[Urbaniak] There is no reason to hide the fact that relations between the leadership of the Soviet armies stationed in Poland and the Polish government more or less resembled relations between our states. Everything was not always fully enforced and regulations were not always applied literally. This applies primarily to the local levels. Although there were also those voivodships in which there was frequent contact with the stationed armies. This benefited both sides.

[Kubaszewski] Can you at least estimate how much the presence of the Soviet armies cost Poland over all these years, taking into consideration the depreciation of buildings, the destruction of roads and the like as well?

[Urbaniak] We do not know these figures. In general, however, the USSR government should refund the costs of stationing their armies in our country. They are to remit payments for land annuities, energy carriers and refunded damages. For example, for the year 1987 the damage caused by the Soviet armies to the forest economy was estimated at 120 million zlotys, while damage to the environment (from mills and oil spills) was estimated at 300 million zlotys. In 1989, payments of 107.7 million zlotys for damages and claims for Polish citizens were demanded.

[Kubaszewski] It seems that the Russians are not making their payments on time. For our country, which until recently experienced runaway inflation, this is not insignificant...

[Urbaniak] It is a very important issue. There have been delays, significant ones. The Soviet armies, however, have not paid any interest to compensate for the effects of inflation. Now that is beginning to change. Even the enterprises themselves are more effective at demanding what is theirs. Today it has become possible for an organizational unit which has not paid its electric or water bill on time to have these services shut off. Just a few years ago this would have been unthinkable.

[Kubaszewski] For what things are the Soviet armies still not paying as much as they should be?

[Urbaniak] They have relatively low land annuities, which, however, have been set up by our government. Above all, however, they do not make payments for using forest and farm lands, which under normal utilization could yield considerable profit for the state and for citizens. International agreements have given the stationed Soviet units this privilege, which is also possessed by the Polish army.

[Kubaszewski] No doubt we have also been the losers in accounting done in transfer rubles.

[Urbaniak] Supplies directly for the armies, i.e., primarily deliveries of food and raw materials, are accounted for in transfer rubles. Experts from the office of the Ministry of Foreign Economic Cooperation could say more on the subject of the profitability of these transactions. It may be presumed that they are just as profitable as all trade based on the transfer ruble.

[Kubaszewski] Are any sums officially assigned out of the state budget, and in particular out of funds from the Ministry of National Defense, to cover the costs of stationing Soviet armies in our country?

[Urbaniak] No, not a single zloty is assigned.

[Kubaszewski] It is said that the financial costs we bear in conjunction with the stationing of Soviet armies are nothing compared with the dozens of victims among the civilian population who have died from maneuvers and highway accidents caused by Soviet soldiers who ignore the regulations...

[Urbaniak] In recent years, there was a fatal accident in Wielkocin, in which one person died. A plane was also brought down in Lublin. These are individual occurrences. In addition to this, there was one instance of the murder of a taxi driver by Soviet soldiers. On the other hand, road collisions have occurred quite frequently. In 1989, there were 7 fatal accidents and 58 people sustained bodily injuries. We must be clear here in separating the real situation from the rumors that travel from mouth to mouth. The rumors have usually been based on speculations that since someone has lost his life in Poland, then this must happen everywhere that Soviet armies are stationed.

[Kubaszewski] It is no wonder, since officially no one was allowed to say very much about the Soviet armies, certainly nothing negative. Likewise, the Office of the Government Plenipotentiary was selected to represent the interests of the Soviet side rather than the Polish side, to be an institution whose basic task is to hush up uncomfortable matters at any price.

[Urbaniak] I agree that treating the stationing of Soviet armies as a taboo subject has certainly yielded more losses than benefits. On the other hand, I cannot concur with such a negative assessment of the work of the Office of the Government Plenipotentiary. We have always made demands, we have always battled for the interests of the Polish state and its citizens. The only admission I can make is that our penetrative power proved to be insufficient more than once. Some local authorities maintain that the entire responsibility for this situation rests upon us, while they themselves did not use their own rights of land management or while they were too weak in the actions they did take.

[Kubaszewski] Through all these years, have the numbers of Soviet soldiers stationed in Poland changed?

[Urbaniak] In accordance with the agreements, this number has generally ranged around 60,000 soldiers. Now there are about 58,000.

[Kubaszewski] Presumably, they are located primarily on the western border...

[Urbaniak] The majority are in the west, the north, and the south of Poland. They are located in a total of 15 voivodships. In east and central Poland there are only posts securing communications, deliveries, and supplies.

[Kubaszewski] Were these armies used in any way for activities in Hungary in 1956 or in Czechoslovakia in 1968?

[Urbaniak] Units of the Northern Group of Soviet Armies are a composite part of the Soviet Armed Forces and they implement the political-strategic goals of the Warsaw Pact. Reports on the use of this group of armies or on their non-use are not submitted to the Government Plenipotentiary.

[Kubaszewski] But were these armies supposed to intervene in Poland in 1980-81?

[Urbaniak] The matter of the nonintervention of Soviet armies in the internal affairs of Poland was clearly defined in an article of the 1956 agreement. It is stated therein that the stationing of armies "may in no way violate the sovereignty of the Polish state and may not lead to their intervention in the internal affairs of the PRL." You could surely gain more information on the years 1980 and 1981 at the Ministry of National Defense.

[Kubaszewski] But you know the answer...

[Urbaniak] Martial law and the Polish army resolved the matter. That is all I have to say on the matter.

[Kubaszewski] Do the Polish civilian and military authorities have any sort of influence on actions taken by the Soviet armies stationed in our country?

[Urbaniak] I emphasize once again that this is, first of all, a part of the Soviet armies which is not found in the structures of the Polish Army in any sense. But the commander of the Northern Group of the Soviet Armies has the duty to report to the Polish minister of national defense on all changes in the placement and movement of his armies. All transfers take place with the approval of our central government, the approval of the WP [Polish Army] General Staff. The local authorities are informed of decisions. Obviously, I am speaking here of transfers beyond the stationing garrison.

[Kubaszewski] Can the minister of national defense deny approval for the movement of armies, or for one exercise or another?

[Urbaniak] Of course, and this sometimes happens. The halting of nighttime flights in Brzeg is an example of this.

[Kubaszewski] How do the Russians react to the clear antipathy towards them on the part of our society?

[Urbaniak] They are not surprised, for this antipathy appeared beginning with the 1980's. However, they do not completely comprehend the motives of this attitude on the part of the Poles. They say that in spite of everything that has happened, they still contribute to the security of our borders. The commander of the Soviet armies is organizing more and more meetings with the local population and with social organizations, where there are no forbidden topics and where practically every issue can be explained, and the appropriate action can be taken.

[Kubaszewski] If a decision would be made to withdraw the Soviet armies from Poland, how long would such an operation have to last from a technical viewpoint?

[Urbaniak] Just as in Czechoslovakia, the major forces could withdraw quite quickly. But the entire evacuation takes much longer. Certainly, it would take longer than a few months.

[Kubaszewski] In your opinion, would the withdrawal of Soviet armies from Poland create the need to increase our outlays for defense, including an increase in the size of the army?

[Urbaniak] In this case, technology would be more important than the human factor. Consequently, if the international situation does not change, without a doubt share of the state budget that would be significantly larger than the present share would have to go for defense.

Character of Army as Depoliticized, Deideologized, Viewed

90EP0472A Warsaw ZOLNIERZ WOLNOSCI
in Polish 13 Mar 90 p 3

[Article by Colonel Stanislaw J. Sokolowski: "The Education Officer: Who Is He Actually?"]

[Text] The democratic changes in the country and in the main streams of its sociopolitical life also have a deep resonance in its military life. The real changes that are taking place in the defense forces, in their organizational, training and educational structures include mainly: 1) changes in military doctrine giving it a clearly national and even more, a decidedly defensive character (the basis for the term, Polish defense doctrine); 2) restructuring of the army, its tactical-operational, staff, and institutional centers, as well as its instructional system. The reality of this restructuring is expressed in a trend toward achieving optimal efficiency and effectiveness of the armed forces and their defense capability while simultaneously limiting significantly the numbers of units, staff, educational and training centers and other military institutions for the most effective use possible of available funding (very modest, as we know), material and technical, to ensure a high combat capability of the army; 3) a thorough reorganization of the army training and educational system, primarily deideologizing and depoliticizing it.

I would like to give some attention to the problems of the changes that are actually taking place in the practice instruction, training and education since these are matters that have a broad resonance in public opinion, as statements of certain deputies and government representatives indicate. How, then, is the deideologizing and depoliticizing of the army expressed and how does this affect the process of military training? A real factor in deideologizing is the adoption of the principle of freedom from party membership of professional personnel and suspension of party activity by soldiers in basic service. General of the Army Florian Siwicki, minister for national defense, proposed this legislative initiative to Premier Tadeusz Mazowiecki. A prerequisite for this decision, approved by the public, is the completely justified view that the army of its nature is a nationwide institution and as such should not be an

instrument of either ideological or political indoctrination of any party or any political power. This is also an expression of the overcoming of the Stalinist ideological and political pattern of the so-called class functions of the army, which in practice meant subordinating the army, its training and educational system and personnel policies to the goals of one party that had complete control over the army as well as over other areas of sociopolitical, economic and cultural life. This state of affairs obviously cannot be tolerated in a state with parliamentary democracy that is making a transition from a system of so-called real socialism to a completely democratic system.

Another important factor in deideologizing the army is introducing the principle of complete freedom of religious practice without regard for service status. Here, the view is adopted that matters of world view, naturally in the sense of world view as a specific religious attitude, are a private matter for every soldier and no one has the right to interfere in observances of this kind or to influence in any other way this type of attitude (for example, through manipulation of personnel policies). It is also obvious that religious observances cannot conflict with the principles of military life, with fulfilling assigned military obligations. Our goal, therefore, is for the military organizational and training system to take into account the calendar of religious feasts and in this way to minimize eventual inconveniences in fulfilling religious obligations on the part of soldiers who wish to do so. The educational system of the army has been and is directed toward developing and fixing in the consciousness of the soldiers feelings of patriotism, familiarity with and deep respect for aspirations toward independence and sovereignty of our nation as well as for the tradition of the Polish military with a special consideration for our experiences during the period of World War II, including the struggles of the Polish soldier in the West and in the East, as well as soldiers of the Home Army and other partisan formations in the country. We aim effectively to tell the truth about our tradition of independence and to reveal the soldiers' tragedy that was the murder of the Polish officers at Katyn by the NKVD, and the aggression of the Red Army against Poland on 17 September, the consequence of the criminal Ribbentrop-Molotov agreement of 23 August 1939.

In the program of patriotic education, much emphasis is also placed on preparing the soldier for active participation in consolidating democracy in Poland, in overcoming post-Stalinist patterns of political and cultural thought, and to developing initiative and resourcefulness in conducting both personal affairs and those pertaining to the local community. We are concerned that the deep democratic changes in the country, its political and economic structures, inspired and brought to reality by the government of Tadeusz Mazowiecki, might be reflected in the consciousness of the army, in the way of thinking and acting of its separate centers as well as in

that part of the armed forces that will pass into "civilian" life after completing the basic 18-month service.

These are tasks that are extremely complex and simultaneously carry great responsibility; their realization is the responsibility of the commandant's staff as well as of the corps of education officers created by the national defense minister mainly for the realization of the new program of education and instruction (in the area of social studies and humanities, including cultural). To this corps, I would like to address a few more remarks since its tasks are not always adequately understood by at least some segment of public opinion. The tasks of this corps, which comprises a small percentage of officer personnel, may be understood as follows: 1) the preparation and realization (naturally in joint effort with other acting officers) of training and education programs in the areas of knowledge about Poland, its democratic and organizational changes, and about the political and military conditions in which our country finds itself; 2) planning, organization, and realization of cultural-educational work, including mainly organization of reading, amateur theater, organization and management of musical centers, circles interested in fine arts, etc; 3) concern for the soldiers' daily life, for guarding his privacy, while being concerned for timely detection of problem situations and participating in their resolution in a way favorable to the soldier.

In other words, we are concerned that the education officer should be that person who, thanks to his direct contact with various aspects of a soldier's life, not only his strictly service life, but also with that informal, private aspect, would in a timely fashion be there with advice and help wherever this might be desired or necessary. Young people from various environments enter the army; it happens that some of them require resocializing intervention (alcoholism, drug addiction, etc.) and these tasks, to a certain degree, are undertaken by the army educational system, and mainly by the officers of the education corps among whom a significant number, more than 70 per cent, have professional pedagogical and psychological training acquired at the Department of Pedagogical Sciences of the Military Political Academy.

The intention is—and I believe this concept to be proper and well-founded—to create in the Academy of National Defense (I propose it be named after Gen. Arms Wladyslaw Sikorski) a department of social or pedagogical-social studies that would be the main center for instruction (second degree, that is, at the master's level) of education officers with the specific title of military educator (master of military pedagogy). I am convinced that this would be the optimal solution that would fully ensure a supply of qualified pedagogical personnel for the armed forces.

General on Szczecin Mechanized Unit's Readiness, Restructuring

90EP0465A Szczecin GLOS SZCZECINSKI in Polish
12 Mar 90 pp 1, 2

[Interview with Gen. Bde. Boleslaw Balcerowicz, Commander 12 Mechanized Division, by Bohdan Onichimowski; place and date not given: "Indispensable Sufficiency"]

[Text] [Onichimowski] The division will be celebrating the 45th anniversary of its existence pretty soon. What is this tactical union at the present time?

[Balcerowicz] I have been in command of this division for half a year and I can say that during this time serious changes have taken place in it. Restructuring activities have been undertaken. One regiment has been dissolved. But on the other hand, provisions are changing. We are receiving more splendid equipment and conducting a reorganization. This causes our tactical union to be stronger at the present, both with regard to firepower and with regard to "tactical-operational conversion factors."

[Onichimowski] The dissolved regiment was the 25th Dresden Tank Regiment. As far as I know, it was equipped with tanks of the T-55 type which were sent to the smelting works, but it is not a secret either that this type of tank has been replaced in the division by modern T-72s.

[Balcerowicz] Indeed, we are changing to a newer generation of tanks, but what is essential is that we are executing such transformations so that the division will have a more universal character. This ties in both with our defense doctrine and with the Vienna talks.

[Onichimowski] "With our defense doctrine" and it therefore involves the reduction of offensive force and the increase of defensive possibilities.

[Balcerowicz] That is too great a simplification. In the published doctrine it is written more precisely: "Poland . . . considers justified the maintenance by the parties in question of only such armed forces as to ensure indispensable defensive sufficiency, without at the same time yielding the opportunity to execute a sudden attack or conduct offensive operations."

[Onichimowski] General, the theme that we must touch upon is the unification of Germany. I think that we can both imagine a German government that would aspire to change our western border. And after all a division is stationed on the western side of the Oder.

[Balcerowicz] The unification of Germany is, of course, unavoidable, but I want to say that I still maintain close contact with the command of the GDR's 9th Armored Division. Of course, this can change, but I would like for our partnership to last as long as possible. The history of European armies knows so many examples of such partnerships, even among non-allied forces, that there is nothing strange about this.

As far as the revision of borders is concerned, I can speak only with respect to the military aspect of the Szczecin bridgehead and the lower Oder. It seems that our division fits into the concept of "indispensable sufficiency" and the effective discouragement of solving the question of the nationality of these lands by military means.

A historical reflection: in 1939, the French and the English did not want to die for Gdansk. I do not know whether people could be found currently who would be willing to die for Szczecin, of course, I mean beyond the two interested parties. Therefore, our essential military presence is indispensable so that the other side will acknowledge military action as being too costly.

[Onichimowski] Can the citizens of Szczecin, and especially those who have the "Polish migration of peoples" behind them, therefore sleep peacefully?

[Balcerowicz] As a born soldier who treats service here as a calling, I can testify in my own name and in the name of my comrades in arms that we will do everything and more than everything so that this sleep will be peaceful. That is our declaration. But the problem of Szczecin's security does not stop there—after all, it lies in the hands of politicians and the government that directs us. It was good that recently Premier Mazowiecki spoke emphatically of the need for a strong army which—I hope—will tone down those voices which in recent years demanded its weakening or outright elimination.

Rise in Crime Linked to Fewer Qualified Militia Members

90EP0483B Warsaw ZOLNIERZ WOLNOSCI
in Polish 21 Mar 90 pp 1-2

[PAP Article: "The Disturbing State of Public Order"]

[Text] On 20 March the regular (third) meeting of the Political Advisory Committee of the Minister of Internal Affairs was held. Krzysztof Kozłowski, undersecretary of state, participated. The deliberations were chaired by Gen. Arms Czesław Kiszczak.

The committee members familiarized themselves with the state of public order, and particularly with the increase in danger in the particular categories of misdemeanors. The high growth rate of such crime, especially against property, continues. The number of crimes committed in large cities, where the greatest cadre shortage is accompanied by an unfavorable atmosphere surrounding the MO [Citizens' Militia], is increasing significantly.

The accumulation of these factors is one cause for the decline in the effectiveness of operation of the militia. Social criticism exacerbates this and it also engenders apathy among militia personnel.

In this context, the present cadre situation in the MSW [Ministry of Internal Affairs] was discussed. Particular emphasis was placed on the progressive exodus of higher qualified cadres and the more and more serious problem

of vacant posts. This situation already affects 18 percent of permanent positions and it continues to worsen. Experienced officials of the MO, specialists from many fields and even ministry health service physicians and nurses are leaving. Cadre shortages threaten to render impossible the performance of basic MSW tasks. In such a situation, the need is indicated for society's support for the tasks of organs protecting the public order as well as for the need to hasten the process of transforming the militia into a police force for eliminating the harmful atmosphere of provisionality.

The need to intensify legislative work on the packet of laws regarding the MSW was stressed in particular.

The committee obliged Czesław Kiszczak, minister of internal affairs, and Krzysztof Kozłowski, undersecretary of state in the MSW, to inform RP [Republic of Poland] president, KOK [National Defense Committee] chairman Wojciech Jaruzelski, about the course of committee work and to approach Council of Ministers Chairman Tadeusz Mazowiecki recommending the appointment of plenipotentiaries for matters of organizing a future police and office of state protection.

The Political Advisory Committee of the MSW likewise familiarized itself with issues of the operation of the Central MSW Archive and with the nature of the documents gathered there. The proposal was made that they approach the minister of national education to appoint a joint team of archivists for setting in order the archival resources of the MSW.

Integration of Civilian, Military Higher Education Curriculum Viewed

90EP0483A Warsaw ZOLNIERZ WOLNOSCI
in Polish 21 Mar 90 p 3

[Interview with Colonel Edward Szumer, deputy chief of Military Education Administration, by Marek Zdziech; place and date not given: "Is the Higher Officers School Changing?"]

[Text] [Zdziech] The restructuring changes which are being made in the Polish Army are understandably arousing the interest of our readers. Among the opinions, the questions and the doubts which are being voiced one finds issues directly related to professional military training, e.g., there are specific references to the excess of military institutions, to their outdated organizational structure and to the urgent need to modernize the training process.

[Szumer] It is true that the many questions and doubts expressed in the columns of our newspapers (and not only our military newspapers) may suggest that improvements in our military training, particularly that of the higher officers schools, are being made too slowly and too superficially, that these improvements are not keeping pace with restructuring processes. And so it is worthwhile to keep in mind that reform measures in military training are not a new phenomenon for us.

Perceiving the need for efficiency measures in many areas—measures of more than a temporary nature—we embarked upon them over a dozen years ago. In the first half of the 1970's, a team of military specialists and civilian scholars, acting under the auspices of the Council for Military Higher Education, developed proposals for fundamental changes. These changes were comprised in the paper entitled "A Model System for Preparing the Modern Commander."

[Zdziech] A whole epoch has passed since that time. I wonder whether something of these proposals could be adapted to today's conditions?

[Szumer] A shift was already proposed at that time from narrow-specialist training directed towards preparing graduates to perform duties in a specific official position to training with a significantly broader profile, ensuring the comprehensive development of the personality by preserving the unity of general goals and training tasks. Likewise, the advisability of creating two or three multidepartmental higher officers schools to replace the existing higher officers schools was discussed. Studies would be conducted in these schools according to the appropriate profiles and specializations. In this way it would become possible to shift to training which would be partly unified in the course of the first 2 or even 3 years of studies. Even if we take only this into consideration, it is clear that the past proposals are still quite timely.

[Zdziech] Then why...?

[Szumer] I am trying to guess what you want to ask me. The proposals I have described were highly valued and were favorably received by the ministry leadership. Given the cadre and location problems, however, and the financial possibilities of the state in particular, they have not been implemented to date.

[Zdziech] It may be said that little has changed regarding the issue.

[Szumer] That does not mean that we have folded our arms, hoping for better times. The preparation of new cadres for the army is too serious a matter for us to count only on a change in circumstances. That is why the actions taken recently to improve military training have been primarily of an investment nature, and continue to be of this type. For example, new, modern assumptions for the training process along with the personality-professional characteristics of the graduates of higher officers schools have been developed. These correspond to the changes taking place in the social and political life of Poland and to the roles and functions which are to be fulfilled by the Polish Army today, by its officers' cadre.

The content structure and the methods for achieving training goals have been thoroughly reevaluated. General subjects from the area of the social sciences and from one's principal department make up a combined total of 66 percent of the entire program, with 35 percent of the program coming from the general department.

[Zdziech] In all discussions on higher officers training, the question of the possibility of bringing the status of diplomas up to the level of those from civilian institutions returns like a boomerang.

[Szumer] Given the present structure of studies—uniform second-level (master's) studies in higher civilian institutions versus first-level studies in the WSO [Higher Officers School], at present it is not possible to completely unify professional specializations and titles, i.e., to make diplomas from military and civilian institutions comparable or identical. It is possible that the regulations of the new laws on higher education with certain modifications of WSO programs will open such possibilities. At this time, however, the idea of shortening WSO studies which I came across recently in the columns of *ZOLNIERZ WOLNOSCI* appears neither to be justified nor convincing. Let us agree that not all graduates of the officers school make it into studies at the National Defense Academy. For many of them, studies at WSO will be the only institutionalized form of professional training.

[Zdziech] I propose that we return to an issue related to the integration of military training. One does not have to be a specialist to assert that the restructuring processes that are occurring in Poland, including the significant reduction in the need for a professional cadre, are creating conditions which make possible an at least partial return to the integration ideas of years ago which you yourself have mentioned.

[Szumer] We are not standing still here in that field either. We began with a limitation of organizational structure which no longer suffices for our needs and possibilities, without the publicity of the Center for Officer Improvement and the Center for Training Political Officers which was disbanded at the beginning of this year. Last year, decisions were made to disband the Higher Officers Automobile School and to integrate the Higher Officers Schools of Tank Forces with the Higher Officers School of Mechanized Forces, and the Higher Officers School of Chemical Forces with the Higher Officers School of Engineering Forces.

[Zdziech] But our readers are beginning to suspect that these integration processes are too modest.

[Szumer] Certainly the assertion that the educational system, whether civilian or military, is unsuited to frequent and radical change, that it requires continuity and relative stability, is no revelation. And so we are not free to make far-reaching changes in a short time, primarily because of the state's economic potential. Integrated schooling, concentration in several large academic teaching facilities is certainly more economical than operating in a dispersed fashion. However, initial outlays to set this in motion exceed the present possibilities of the MON [National Defense Ministry] budget. And so every action, in this sphere as well, must be carefully and prudently considered. Premature ideas and proposals, even if they are theoretically valid, which do

not take into account our possibilities, may lead under existing conditions only to the destabilization of this essential department of operation of the armed forces—military training.

[Zdziech] How would you respond to the question posed in the title: Is higher officers training changing or not?

[Szumer] It is changing primarily in its training and educative functions. It is changing with regard to the needs of the nearest future and in keeping with the material conditions under which it has come to function. Likewise, at the present time efforts are being made to update the laws on higher military education. Hence at this point in time we suggest that the readers of ZOLNIERZ WOLNOSCI send their remarks, recommendations and proposals regarding the scope of regulations, and even their concrete solutions to be incorporated into the new law to the WP [Polish Army] Main Board for Combat Training.

[Zdziech] Thank you for the interview.

Civic Participation in Discussion of Army Reform Urged

90EP0472B Warsaw ZOLNIERZ WOLNOSCI
in Polish 20 Mar 90 pp 4-5

[Article by Colonel Stanislaw Koziej: "What We Know About Defense"]

[Text] There is no doubt that today—and actually not just today—the basic problems of defense cannot be left to only the tight circle of professionals. It should not be the concern exclusively of the politicians and the military. If defense is to have real value, it must be socialized. Only the participation of the general Polish population in the shaping of defense, which would ensure conscious acceptance, active support and at the same time social control of solutions adopted, can ensure the effectiveness of the solutions under present conditions. For this we need a realistic defense awareness on the part of the Poles.

Our situation in this respect is not optimal. First of all, there is no general sense of the need to concern ourselves with defense matters. The army is seen rather through a prism of historical sentiment or recent traumas. Thus far, it has been treated either as a school for citizen training (as some have said), or for ideological shaping (as others have accused), or as an army hurrying to aid the national economy, or, finally, as an argument of force exploited by the party to achieve internal goals. The external function of the army was, for many Poles, rather a theoretical category existing at best only in propaganda.

This is obviously not a true perception of the meaning of the existence and character of the defense forces. An army is not needed for educating youth or for various emergency actions on behalf of the economy in times of peace. This can be done better and more cheaply in some

other way. The purpose of the army is to ensure a feeling of safety and it is for fulfilling this task that the army is valued and respected or scorned. The army ethos in the community is not at all developed in parades, social evenings, at building sites, or at party congresses; in no case is its component an ideological attitude. Ideologizing the defense forces and subordinating them to the interests of one party was perhaps the greatest damage done to the army during the postwar period, brought it into conflicts with various community groups, and in this way threatened alienation of the army from society.

In democratic states—and Poland is becoming such a state—the army is respected for its professionalism, for the soldierly effort contributed in daily service and in extraordinary situations and primarily for the fact that it is our army to which society can issue orders or prohibitions, which it may rebuke for some things or praise for others. In one of the Soviet professional military periodicals, an officer of the Soviet Army who had visited the United States shared his reflections on the subject of the attitude of Americans toward their army. He emphasized that a firm conviction exists in the United States that an army is needed, that it must be very well equipped and trained. Americans believe that the United States cannot exist without an army, are proud of their army and are concerned for its reputation. There, the army enjoys respect most of all for professional competence. All of this is the result of a conscious and not just a decreed conviction of the people. So it reflects the high level of defense consciousness of the American people.

We still must create conditions for a natural formation of such a consciousness. Obviously, it cannot be set forth, taught, or created with the help of some kind of incantations or handing down of learned theses to be believed. Social consciousness arises of itself as a result of experience and reasoning. I think that one of the methods that assists its formation is public discussion of the basic problems of the defense of Poland. Perhaps, first, it would be worth considering why the state of consciousness of Polish defense is what it is. What was the deciding factor in this? Is it necessary at all to make efforts to change this situation?

The attempt to find answers to these questions should probably begin with a statement on basic significance. The defense of Poland, including the initial view of the threat to it, was determined in recent decades by the fact of our participation in the Warsaw Pact. Until recently, this was also a political-military pact unequivocally dominated by the greatest power, the Soviet Union. By the same token, we were drawn into the world struggle of the super powers, and became one of the grains in the great conflict between two political systems. The threat to us was connected only with this and was exclusively a derivative of the threat to the whole bloc, including mainly the Soviet Union. In the same way, our defense system was defined not so much by Polish needs as by the needs of the coalition. The size of the defense potential that we had to maintain was not based simply on the magnitude of the threat, but on a division of tasks

within the framework of the coalition. To a great extent, military doctrine duplicated the Soviet solution. It might be said, then, that in such a clearly monopolized coalition, we did not really have our own "defense status."

Therefore, it is not strange that Poles did not identify with a defense and military policy based on such principles. Not feeling a direct threat, they did not see the need for defense efforts. Moreover, they accepted the existence of an army and always gave it, for the most part, great respect and trust. This was the result, however, more of emotional, historical consciousness than of current rational defense consciousness.

Today, the situation is definitely changing. The Warsaw Pact is becoming a pluralistic coalition. The Soviet Union is giving up its monopolistic position. In connection with this, every participant of this Pact can and must clearly define his interests, designate his defense needs and potentials and become concerned for his own safety without looking for directives and recommendations. Even now, participation in the Warsaw Pact depends exclusively on the will of each participant and this must emanate from a comprehensive, strategic evaluation of needs, anticipated benefits, and possible expenditures. This will form a basis for developing our own, Polish defense doctrine.

Proclamation by Army on Religious Freedom Noted

90EP0455A Warsaw ZOLNIERZ WOLNOSCI
in Polish 2-4 Mar 90 p 3

[Article by Vice Admiral Piotr Kolodziejczyk, Chief of the Polish Army's Main Administration for Education: "Instructions of the Chief of the Polish Army's Main Administration for Education, No. 10, dated 1 March 1990 (concerning the implementation, within the process of military training, of legal regulations regarding the attitude of the state toward the Catholic Church as well as the guarantees of freedom of conscience and religion)"]

[Text] The acceptance on 17 May 1989 by the Sejm of the Polish Republic of the legislation pertaining to "The Attitude of the State toward the Catholic Church..." and "The Guarantees of Freedom of Conscience and Religion" (DZIENNIK USTAW No. 29 of 23 May 1989, Items 154 and 155) defined the legal position of the Catholic Church in the Polish Republic (including the principles of the functioning of military religious ministry) as well as guarantees for the implementation of the principles of the freedom of conscience and religion.

The army is an institution that complies with the principles of the freedom of conscience and religion while maintaining a secular character of the training process. The patriotic-civil training implemented by the Armed Forces of the Polish Republic is part of state policy in the sphere of training-education.

For the purpose of standardizing the principles of the implementation of the main provisions of the mentioned laws within the process of patriotic-civil education and training of soldiers while preserving the general principles of military order, I am proclaiming the following:

1. With regard to the law on "The Attitude of the State toward the Catholic Church"—the regulations contained in Chapter 3, Section II concerning the following should be strictly observed:

a) the assurance to all those performing military service, the freedom to fulfill or not to fulfill, based on their will, religious practices (article 25, rule 1 of the law) by allowing, for example, the possession of religious objects, the individual saying of prayers, listening to radio and TV broadcasts of Mass and other religious ceremonies, and by employing organizational privileges enabling the fulfillment of individual requests in this regard;

b) the assurance to soldiers in active military service, the possibility of individual participation in Masses (on Sundays and Holy Days) as well as other customary religious practices outside of the military units and organized in garrison or nongarrison churches if this does not conflict with important service duties (article 25, rule 2 of the law) involving combat readiness, training, the maintaining of the regulation course of life of military subunits and units;

c) the assurance to army chaplains, the possibility of individual contact with the commanders of military units for the implementation of the provisions of the law and for totally free and regular contact with soldiers on the premises of military units (medical facilities, hospitals) during times agreed upon with the commanders of these units (article 25, rule 4 of the law) by, for example: making the times and places for the meetings generally known to the soldiers; allocating quarters for meetings between individual chaplains and soldiers, and assuring at the request of a chaplain or soldiers the possibility of visits and meetings of chaplains in subunits (on the premises of medical facilities, soldiers in detention), etc.

2. With regard to the law on "Guarantees of Freedom of Conscience and Religion," the following ought to be done:

a) unequivocally present to the soldiers, the principles used as guidelines by the armed forces in assuring every citizen freedom of conscience and religion, i.e., freedom of choice of religion or belief as well as freedom to express this individually or collectively, privately or publicly (article 1, rule 2 of the law);

b) enable persons fulfilling military service: participation, in keeping with the principles of their religion, in religious activities and rites as well as the fulfillment and observance of religious feasts (article 2, point 2 of the law regarding article 4, rule 1, point 1); the possession of objects necessary for the practice of religious worship (article 4, point 1 of rule 1);

c) in training work, to undertake issues of the practical implementation by the state of the following principles: freedom of conscience and religion in relation to all churches and other religious associations, neutrality and tolerance in matters of religion and belief, independence of churches and religious associations from the state in the performance of their religious functions (article 9, rule 1; article 10, rule 1; article 11, rule 1 of the law).

3. The right of freedom of conscience and religion, freedom in the fulfillment (or nonfulfillment) of religious practices, the choice of religious rites and contact with chaplains is protected.

4. With regard to participation in ceremonies in which a military honor escort appears and which are combined with a liturgical setting, it should be assumed that first and foremost, the main part of the ceremony is to be implemented, e.g., the unveiling of a monument, the reading of the roll of the dead, and subsequently, the religious part is to follow (consecration, Mass). Military personnel participating in these types of ceremonies appear in headgear and carry out the commands of the honor guard commander: they stand at attention on the "Attention" command and salute on the "Present arms!" command.

In the case of a ceremony coupled with the liturgical setting of other religions, the course of the ceremony should be agreed upon each time with those interested while keeping in mind the above principles.

5. Cooperation with military chaplains with regard to their participation in:

a) meetings with soldiers during periods preceding legal as well as specific, traditional religious holidays or during the course of these holidays;

b) state and military holidays, patriotic celebrations and religious services for soldiers (confession, weddings, funerals);

c) performing work (individual and group) for the integration of military communities, the strengthening of comradeship, the need for discipline and the indispensability of military service rigors;

d) conducting talks on the subject of the role of churches and religious associations as well as the issues of religious ethics and the humanization of social relations within the group of soldiers in basic military service.

6. Moreover, the following principles should be adopted in the implementation of the laws:

a) a proper implementation of the laws by military units in keeping with the introduced regulations belongs to the responsibilities of the commanders and their second-in-command for education-related matters;

b) in matters related to the implementation of the principle of freedom of conscience and religion, a soldier

has the right to turn to his superiors without having to go the official route; these matters should be reviewed with particular attention;

c) both soldiers and military chaplains may come out with the initiative of reporting religious needs;

d) military chaplains should be informed of these regulations (enable them to become acquainted with them); questionable matters should be decided in the spirit of the herein presented laws and regulations;

e) strive to have the liturgical setting (Masses, consecrations) during ceremonies with the participation of the military (military honor escort) be celebrated by army chaplains or by priests appointed by them who are not military clergymen;

f) at the request of soldiers or the suggestion of the chaplain and in agreement with the commander of the military unit, periodic and during religious holidays (periods preceding them) collective religious services (confessions, Masses, etc.) may be organized on the premises of the military units for soldiers who cannot participate in the religious practices on an individual basis; necessary space should be allocated for the needs and duration of the services;

g) participation in religious practices outside the barracks or military units is to be implemented on an individual basis and in principle, during off-duty time;

h) in military schools (academies), the "Instructions..." are to be implemented on the basis of the general principles in the way that does not interfere with the implementation of service tasks and programs of instruction;

i) students of military secondary schools are assured freedom—depending on their wishes—to participate in religious instruction on the points of catechism to be assigned on the basis of agreement between the military chaplain and the secondary school headmaster;

j) secular customs and rites are to be legally protected and treated in every situation on an equal basis with religious ones.

7. The instructions go into effect on the day they are signed into law.

Problems Facing Defense Industries Viewed

90EP0455B Warsaw ZOLNIERZ WOLNOSCI
in Polish 5 Mar 90 p 4

[Article by Major Zdzislaw Lasota: "Sell the Goods, Acquire Money"]

[Text] "We are subsisting but the situation is becoming increasingly difficult. In the production of rifle ammunition, we are using only a small part of the production potential. In the case of certain types of ammunition, MON [Ministry of National Defense] and MSW [Ministry of Internal Affairs] have completely withdrawn

from their earlier placed orders. During the last 2 months, clients have backed out of purchasing goods valued at a dozen or so billion zloty. Our capital investments remain unfinished due to lack of capital. How are we to repay the credit which we have drawn or the interest on it? What are we to do and how should we conduct economic operations?" These were the problems presented and fundamental questions asked by a representative of the defense industry's plants at a meeting at the Ministry of Industry where people from the ammunition and explosives industry gathered to exchange opinions and share their experiences in overcoming difficulties.

These difficulties are of various kinds and belong in varying degrees to the particular enterprises of the defense industry. The problems that have affected this sector appear to be the greatest. It is being said that also the greatest amount of assistance, within means, is being sent their way by the ministry. Other enterprises are trying to cope on their own.

"I do not want to complain," stated a representative of a plant manufacturing all types of shells, confident in his own abilities and believing in the people at his plant, "we must manage by ourselves." He had only one suggestion for the authorities: that the army place their orders at the proper time and pay according to the incurred expenses. In any case, they will manage, he claimed.

Several months ago yet, representatives of the new administration and some journalists attached hope to the conversion of the defense industry. It was felt that it would save or at least considerably improve the market, draw money from it and that at the same time the reduction of orders placed by the military would relieve the strained state budget. Unfortunately, it turned out that none of these expectations became a miraculous panacea either for the economy as a whole or for the defense industry itself. Only in some plants was it possible to painlessly convert part of the specialized

production to a market one. However, this is impossible where nitroglycerin is produced. Changes in machinery settings, production lines increase the cost of market production to such an extent that...its competitive edge drops drastically.

Hard realities do not allow the management of the defense industry's plants to sit with their hands folded. Significantly reduced orders placed by the military, a no less perceptible drop in the export of specialized products to both payments areas, financial problems associated with paying off previously drawn credit and with protecting the halted investments—these are challenges that can be met by employing totally new, previously unheard-of solutions.

There is no predetermined formula for them. Every plant, in maintaining a set defense reserve and having the same rights as others and no special privileges, tries to adapt itself to the new situation. In searching for new markets and expressing dissatisfaction with the activity of foreign trade centers, the plants themselves are beginning to look for contracting parties. Today, they are thinking about foreign joint ventures.

Also in cooperation with our army, plants are beginning to operate in keeping with market principles. Prices are becoming realistic and requests for increased orders are becoming more audible which constitutes an unquestionable signal for the possibility of choosing the manufacturer of a sought-after product.

These are healthy trends of change. It is worth reinforcing them while at the same time keeping in mind that this is not just a question of work for our people, profits for enterprises and the efficient use of production potential. Let us also be aware that the quality of this industry has a crucial effect on the capabilities of our army. And, I would think there is no need to convince anyone that this is closely related to the sovereignty of our country. Participants of the meeting at the Ministry of Industry made references to this.

FEDERAL REPUBLIC OF GERMANY

Siemens Head Views Economy, Industry

90GE0068A East Berlin BERLINER ZEITUNG
in German 12 Apr 90 p 3

[Interview with Dr. Karlheinz Kaske, COB of Siemens AG by Sven Gerlach, Peter Venus, and Klaus-Peter Studre: "Munich People Eat Dumplings One at a Time: Otherwise, They Choke"—first paragraph is BERLINER ZEITUNG introduction]

[Text] The GDR is on the way to a market economy. Currency union with the Federal Republic is imminent and hotly debated. Has the die already been cast for a 2:1 exchange rate, and what needs to be observed in that connection from national, bilateral, and international aspects? How can a sudden turn from a soft to a hard currency be managed? And what are the risks and opportunities arising therefrom? Siemens AG is Europe's biggest electrical engineering and electronics corporation; it ranks sixth internationally. What does Dr. Karlheinz Kaske, chairman of the board, think of these problems? How will the Munich corporation commit itself in the GDR and in what circumstances?

The Siemens boss is said to be a man who speaks softly and carries a big stick. He is known to dislike giving interviews. The chairman of the board was prepared to talk to us. In his West Berlin office Dr. Karlheinz Kaske received our reporters Sven Gerlach, Peter Venus and Klaus-Peter Studre.

[BERLINER ZEITUNG] Upon asking experts of affairs in the FRG to name the 10 most powerful men there, the name "Kaske" is certain to be mentioned. That is why we are asking you: Has the die already been cast for a general 2:1 exchange rate?

[Kaske] First of all, the term "powerful" somewhat disturbs me. The interpretation of power varies quite widely. We are employees or managers of a corporation that does not belong to us. We are charged with running and organizing the business. It would be wrong to speak of power in this context—that is of power as it used to be and still is defined.

[BERLINER ZEITUNG] Be that as it may. Our question was directed more to the coming currency union and the ratio of exchange....

[Kaske] Actually I would prefer, at least at this time, not to comment on the actual exchange ratio. The Bundesbank board issued a recommendation binding on neither the Federal Government nor the Bundestag. And the Bundesbank certainly did this based on its intimate knowledge and the extensive data available to it, simply in order not to destabilize the entire system.

We must not forget that the D-mark is a key currency in Europe and the world. It therefore has manifold ties, and our western neighbors would not be too pleased to see

the D-mark decline sharply. In other words: The Bundesbank recommendations are not geared only to FRG and GDR concerns; they are bound to take account of the D-mark's international status. An economic and currency union would not serve a good purpose if the world as a whole were to oppose it. We need to face realities. A few weeks ago, the Alliance's Herr Schieren summed the problem up very neatly: "The currency union represents the victory of politics over economics." I concur.

[BERLINER ZEITUNG] It might turn out to be a pyrrhic victory.

[Kaske] Let me tell you why I look at the situation with some equanimity. Five years ago, the dollar rate vis-a-vis the D-mark was around DM3.40. Two years later it was about DM1.70. Five years ago we said: For heaven's sake, if the dollar drops below 2.50, we will all be bankrupted. For the past two years we have lived happily and comfortably with a dollar rate of DM1.68, DM1.70, DM1.72. In other words, a beginning rate of exchange has nothing to do with the possible situation two or three years from now.

[BERLINER ZEITUNG] Nevertheless, the people in the GDR are hardly likely to share your equanimity if their incomes and savings deposits should be halved.

[Kaske] Obviously we will have to ask ourselves how best to avoid disproportionate hardships, and I am sure that a lot will have to happen in this respect.

Unfortunately a lot is being said by people who do not understand the situation but who—as is so often the case with politicians—like to see their names in the newspapers.

After all, the basic issue is quite simple: It is impossible to assign a different weight to the assets and liabilities in a balance sheet. Let us take savings deposits. This money does not simply sit in the banks and savings institutions; it is lent—if it were not, the credit institutes could not pay interest. The savings bank is actually an exchange bureau between creditors—those who invest their money, such as savers—and debtors—those who get loans, such as enterprises. The first are shown on the balance sheet among the assets, the second among the liabilities. It would be quite impossible to exchange assets at a rate of 1:1 and liabilities at 2:1 or whatever. Both sides of the balance sheet must be equalized. Otherwise, if the exchange rate were too high, enterprises and private individuals who had borrowed money, would have debts too large to be serviced. The opening balance sheet of these enterprises would then look catastrophic.

It always depends on whether I am on the debtor or creditor side. For someone who had borrowed M50,000 for a new house, a 5:1 exchange rate would evidently be the best.

I would therefore say that the decision is up to the politicians. Of course, the Bundesbank recommendation

is based on actual circumstances. I prefer to leave to the politicians the decision whether to follow that recommendation or to soften some of the hardships.

[BERLINER ZEITUNG] The GDR has an almost inexhaustible need for reconstruction....

[Kaske] I would not like to restrict this to the GDR. All the CEMA countries have enormous needs. In fact, I think the GDR has the best chances for catching up. The only question is the period we visualize for such catching up. And in this matter we should not be too optimistic. Here with us, if someone wants to put up a factory building, we get a citizens' initiative, then the municipality says no, the Land district says no, and finally the Greens come, and then six years have passed by the time the first brick is laid. If you introduce something like this in the GDR, investments will be seriously held up, and all our good will cannot achieve much.

[BERLINER ZEITUNG] There are several former Siemens factories in the GDR. Do you wish to repossess one or the other of them? After all, they are locations.

[Kaske] We have no foregone preferences. We are studying the matter. It certainly is not the case that we go there and say that so or so once used to be a Siemens factory, and we have to get it back. We are fully aware that all this was 45 years ago. To put it mildly, in that time we have lived through five or seven generations of equipment. There is quite a difference between operating a coal mine or working in electronics. It would be like comparing apples with pears, nor is it likely for the original situation to be restored. In the field of electrical engineering and electronics that simply will not work. Nowadays, when we are building up a manufacturing complex, the site is the cheapest item. The big expense is for machinery and the infrastructure.

[BERLINER ZEITUNG] Still, with respect to the infrastructure, you at Siemens must be looking at a gold mine. Whether it is a matter of telecommunications, energy supplies, or transportation equipment, Siemens products are always found to be basic.

[Kaske] True. However, no country anywhere in this world is able to import the infrastructure it needs. In other words, the net product for infrastructure investments must be largely generated in the respective country, because otherwise it cannot be paid for. That is why the various Siemens sections are looking for partners in the GDR as well as in other CEMA countries. In fact we have issued the relevant statements of intent in various fields.

[BERLINER ZEITUNG] Surely Siemens does not wish to be too late. Economic unification is proceeding at enormous speed. Have Siemens concepts not advanced beyond general statements of intent?

[Kaske] At issue here is the sequence. As you know, Munich people do not swallow all dumplings at once but

eat them one at a time, because otherwise they would choke. And, therefore, we are inclined to think about it a little longer.

Still, we are definitely interested. We also have received our first orders.

To begin with we need to consider that, in the case the currency union comes about, the GDR becomes a hard currency country—something that is given far too little attention. The rules of the game between hard and soft currency countries are the same all over the world. Those who must pay in hard currency buy the best and cheapest at the price. In that case the GDR would be in ultra hard competition with all suppliers, ranging from Japan to America. I do not believe that countries having only soft currency available will then spend their scarce hard currency for products that do not meet international standards.

In my view that is the chief problem for the GDR. It is up to the politicians who create the framework conditions to position the GDR correctly. We businessmen can only recommend easing the dive into the cold water. It will be up to the GDR Government and the Federal Government to provide for a "soft landing."

[BERLINER ZEITUNG] It may yet turn out to be a crash landing.

[Kaske] That is why we need to find temporary solutions. In my opinion they should be found especially in the sector of public procurement because, in contrast to consumer goods, this is where certificates of origin may be requested. Whenever the postal service, the railroads or energy supply enterprises place orders, they may stipulate that so and so much must be produced at home. We in the West are doing just that. The French postal service, greatly daring, purchases systems from Siemens. Siemens, in turn, buys French telecommunication equipment. At the same time, the offer needs to be competitive. In other words, the local enterprise must prove that it can, for about the same cost, provide the same as someone on the outside.

[BERLINER ZEITUNG] And at the same quality.

[Kaske] At the same quality.

[BERLINER ZEITUNG] Considering its high technical standard, in particular with respect to infrastructural equipment, Siemens is bound to have an enormous home advantage.

[Kaske] Wait a minute. At issue primarily is the question of what the GDR is actually producing. Of course Siemens holds an appropriately strong position, but we are in competition. Incidentally, there is no reason whatsoever, why only West German firms should be involved in the GDR. The entire world needs to be involved, exactly as it is in the FRG. If we wish for the GDR's early adjustment to the situation in the FRG, the GDR territory must be equally welcoming to international firms. That is not a problem for Siemens.

[BERLINER ZEITUNG] Siemens is among the European corporations with the greatest liquidity.

[Kaske] Yes, that is so.

[BERLINER ZEITUNG] And your firm is known for refusing to buy on credit.

[Kaske] We do not need to.

[BERLINER ZEITUNG] In that case you should be well able to fully commit yourself to the projects you are now contemplating, whether they relate to minority or majority holdings?

[Kaske] Each case is bound to be different. We do whatever is useful. I always insist on only one condition: Whenever we are asked to accept full entrepreneurial responsibility, we want to have a majority holding. Otherwise we cannot take on this responsibility. Whenever someone else has the final responsibility, we are quite willing to agree to an appropriate holding or issue a licence.

We want to do the best for the market and the people over there. We do not quarrel about one or two percent more or less. However, there may not be any doubt as to who has the final responsibility. And who has the say-so. You would not agree either for someone else to have the say-so when you are the majority stockholder.

There is some—not entirely unreasonable—apprehension in the GDR, that this country may turn into a low wage country.

[Kaske] That is a polemic term. From the standpoint of business management, a low wage country is one where wages are low and productivity high. Otherwise India, for example, would be a low wage country able to defeat all others. Yet, we have not suffered from Indian competition so far.

We cannot assume that the same wages will be paid across a country's entire territory. After all, wages must meet the prevailing cost of living. As long as that is low, low wages are no detriment or only so with respect to travel in expensive regions. That holds true for the entire world, including the Federal Republic.

Insofar my answer to your question about the low wage country must be this: The GDR should endeavor as quickly as possible to raise productivity and to be moderate with respect to wages. That will offer you the best opportunities.

[BERLINER ZEITUNG] As an incentive for investment?

[Kaske] Yes. Everything hinges on costs.

[BERLINER ZEITUNG] If wages are low but an item is manufactured with relatively high productivity, the resulting difference must show up somewhere.

[Kaske] In the course of the discussions we have had in the GDR with various sectors, we unfortunately noted all too often that considerable differences in productivity still persist.

[BERLINER ZEITUNG] Still, there are some highly productive sectors in the GDR, and they tend to be the ones most interesting for you. Robotron, for example.

[Kaske] We would not take over Robotron. Siemens will not become involved with a combine as a whole, because we have more than enough overheads as it is. However, some production sectors in the GDR are quite up to date, though it would be imperative for them to shed all the ballast that does not encumber Western enterprises.

Siemens, for example is served by 70,000 suppliers. The GDR lacks the entire sector of small manufacturing companies, servicing and services. Once you transfer to that sector the operations carried out in a combine at excessive cost and without own initiative, GDR enterprises will be able to get rid of hundreds of thousands people who can then find rewarding jobs in this new sector.

[BERLINER ZEITUNG] Do you believe then that productivity is substantially greater than generally assumed, if only operations are properly organized?

[Kaske] I do, provided that we do not compare apples with pears. All the figures usually mentioned in productivity comparisons between the FRG and the GDR are misleading. People tend to indulge in far too many theories.

You need to compare the stages of genuine net production. I simply cannot say that some VEB [state enterprise] or other has so many more employees than a comparable firm in the West. That does not work. In other words, in many cases I take leave to doubt the factor of two or three in favor of the FRG, in particular with respect to modern products. If you were to organize this as we do....

[BERLINER ZEITUNG] This process of transformation evidently involves social dynamite.

[Kaske] That needs to be disarmed. It makes no sense at all for GDR citizens to come to the Federal Republic, and for us to build up an unnatural, superfluous and exceedingly expensive infrastructure of housing, and so on, instead of taking this money, investing it in the GDR and organizing life there in such a manner that its citizens stay at home.

[BERLINER ZEITUNG] Up to now we have not seen much of this money.

[Kaske] The money should not be simply sent across; it must be productively invested.

[BERLINER ZEITUNG] Still, if the currency union is carried out with undue haste, there is a danger that the

money is invested unproductively, because initially it would merely serve to finance an enormous rate of unemployment.

[Kaske] Well, I do not think so. It may start that way. But the economy needs to be rapidly expanded.

The financing of unemployment would indeed be the worst possible investment scenario. We must all realize that you have a great employment potential by means of the middle class that will grow up once again. You must approach the infrastructure with a major work procurement program. The rest is just a question of time.

[BERLINER ZEITUNG] All this will cost many, many billions, and the GDR does not have them.

[Kaske] If the Federal Republic were called upon to pay back all its debts tomorrow, we would be bankrupt. However, we have good credit, that is the sole difference with the GDR. Everybody gives us money, being confident that interest will be paid punctually, and that the money will be well handled. There is plenty of money in the world. The GDR will have to recover a good credit rating. One of the ingredients is the availability of reliable data. At the moment we are still tapping in the dark, we are offered different figures every day. Just you try to get a mortgage if you are not even able to say what the house is going to cost you.

[BERLINER ZEITUNG] Unfortunately nobody in the GDR knows that.

[Kaske] And that is the trouble. The moment you can put definite data on the table, the World Bank, the Europeans, any banking institution will lend you money. Because they will be confident that you people will handle the money prudently and invest it sensibly. Your potential is enormous. On the other hand, no banker will lend you as much as a cent if you are secretive. Documentation must be readily available.

[BERLINER ZEITUNG] Does Siemens, too, await that moment?

[Kaske] Among other considerations. And of course the surrounding political situation, such as business and tax laws. Without all this we cannot proceed.

[BERLINER ZEITUNG] And the labor code? The code word here is the new labor union law.

[Kaske] Well, that is of course counterproductive.

[BERLINER ZEITUNG] How far does that hold true?

[Kaske] We in the Federal Republic have something that is totally incomprehensible for the Americans and our western neighbors: The most far reaching codetermination in the Western economic system. The Americans consider us socialists. This is the worst sticking point with respect to the EC integration through 1992. And just at this particular point in time someone goes off the

deep end and fashions something that vastly exceeds the West German codetermination law. We simply cannot agree this.

[BERLINER ZEITUNG] And yet the DGB also considers much in that law to be desirable. Herr Kaske, we thank you for this interview.

Construction Industry Flaws Detailed

90GE0068B East Berlin BERLINER ZEITUNG
in German 6 Apr 90 p 3

[Article by Hans Erdmann: "Has Time Already Run Out for Old Towns in the GDR?"]

[Text] "Save our old towns from further decay, organize the future of cities and communities while preserving their historic features!"—At the latest since the publication of a passionate appeal by artists and builders last December—an appeal beginning with the preceding words—the public and the media increasingly discuss what is needed in GDR urban construction and architecture.

Let us remember this: In 1988 the 3 millionth home constructed since 1971, the start of the housing construction program proclaimed by the SED [Socialist Unity Party of Germany], was handed over in Berlin-Hohenschönhausen; 1.9 million were new units, the others were modernized, reconstructed, or repaired. In the course of almost 20 years, better housing conditions were in fact provided for millions of people. Inner city groupings arose, such as the Nikolai quarter in Berlin, the Rostock old city, the Dresden Liberation Street, the inner city of Gera—and this was done in a manner that met with international approval.

Nevertheless, we are now bound to realize that, despite the original intentions of the former party and government leadership, the housing construction program—based primarily on the massive use of concrete slabs—was a failure in quantitative as well as qualitative terms. On the contrary: The situation has deteriorated so badly in many respects as to give us cause for much concern. At the end of 1989, for example, 778,352 housing applications are registered in the GDR, and socially urgent cases account for a large percentage of these.

Construction in the green belt, the rise of more and more new residential districts at the periphery of large cities, the virtually exclusive orientation to this approach to the growth of housing space resulted in a parallel and alarming decay of the old inner cities.

Despite a great deal of effort by the builders, the lack of capacities meant that modernization, reconstruction, and repairs were unable to halt this process. The state of such towns as Meissen, Brandenburg, Stralsund, and Weimar is typical for the critical situation of roughly 200 culturally significant cities. Enormous efforts and a new approach will be needed to stop the decay of the inner cities and to fundamentally reclaim these districts.

Admittedly, increased attempts have been made since the early 1980's to emphasize the urban renewal of city centers. However, in the majority of the respective towns, improvements of functional quality and appearance were restricted to individual buildings and very limited areas at the center. In a few cities only (Berlin, Rostock, Gera, Sondershausen, and Soemmerda), decisive improvements in the condition of the building stock and its equipment were achieved in larger areas of the city center, mainly by new construction or modernization and preservation.

Analyses generally assert that many old established and widely held needs of residents cannot be satisfied at the beginning of the 1990's. In 1990 as many as 1.47 million housing units still lack indoor toilets (21 percent of the total housing stock) and 0.97 million (about 14 percent) are not equipped with either a bath or shower.

Prof Dr. Bernd Groenwald, director of the Institute for Urban Construction and Architecture, pointed out the need for all planning and realistic steps for the preservation of the building stock and urban renewal to be based on the priority of the renewal of the technical and social infrastructure. The following are just two examples:

1. Due to obsolescence, the structurally quite well laid out water supply system of the GDR is permanently wasting 30 percent of water. Some 12 percent of the sewer network have been written off; only 1,065 of 7,565 municipalities have sewage treatment plants. At the same time a third of these plants are in a poor state of repair and cause significant pollution. Some 45 percent of municipal waste water is dumped untreated into the rivers.

2. The old and failed management and planning mechanism resulted in weakening the network of the social infrastructure and cultural facilities in our country—not even simple reproduction was secured. The structural decay of health care facilities, the closure of cinemas, libraries, restaurants, hotels, and other services—all these are positively alarming.

In November 1989 the Institute for Urban Construction and Architecture published a comprehensive survey of urban construction and indicated the compelling need to create a completely novel economic mechanism, including various types of ownership and market economic mechanisms as well as regional and city development planning geared to future needs.

In the opinion of the experts, the rescue of the substance of historic old town and village centers is not only an architectural but also a cultural task of the first rank. According to Professor Groenwald, "at stake here is a still available and unique stock of national and European architectural riches that characterizes our village and city centers as well as the cultural landscape. We will have to answer for them to future generations."

What will have to be done to save the cities and communities in our country?

Despite these worries, Dr. Bernd Hunger of the working group for the rescue of old cities, staff member of the Institute for Urban Construction and Architecture, discerns definite possibilities for success. He told us that "we should draw courage from the fact that, despite the dimensions of the decay, the reconstruction of the old cities—though doubtlessly the culturally most demanding construction task—is relatively limited in quantitative terms. Roughly calculated, our historic city cores account for five percent of urban space." This means that the volume of housing located in the old cities is below the traditional five-year output of the construction industry. Half all old city centers have fewer than 500 buildings. Insofar, according to Dr. Hunger, the GDR is confronted with a task that can certainly be handled within a period of about 10 years. Of course this presumes the necessary political will, the commitment of the residents and a rapid transformation of the construction industry.

To revive the construction industry, the Ministry for Construction encourages private craft enterprises as well as small and medium size firms. New prices were recently introduced for building crafts. Architects may work in private practice or offices removed from the dictatorship of the combines. An architecture law is in preparation, and intensive debates are proceeding with regard to the establishment of a Ministry for Urban Construction, Architecture and Spatial Planning. As expressed also at the architects' congress held last week, all this is happening in order after many years of regimentation to assign architecture, the "mother of the arts" its proper place in society.

Away with the ideology of the mass production of uniform buildings, residential districts and city districts, toward a variety of construction methods, technologies, and architectural design—that is the nub of the rehabilitation of our cities and communities. It will also be rewarding to look beyond our own garden fence. We have an excellent example how urban renewal may be successful as well as circumspect: The restoration of 2,800 apartments in the Kreuzberg Bezirk of West Berlin on the occasion of the 1987 International Building Exhibition. This focused not on cosmetic improvement but on the social security of residents, the integration of housing and work as well as the development of a district culture.

Residents' interest in the preservation of their old cities and their residential environment has increased significantly in the GDR. Dr. Bernd Hunger correctly concludes that an opportunity arises for allowing them to be much more involved in planning and construction, to democratize the entire planning process. Examples are the citizen initiatives for the preservation of Rykestrasse and the Spandau suburb in Berlin, the Argus Group in Potsdam and the Schleifstadt in Schwerin. Low interest loans, simple legal regulations, suitable construction materials and equipment, new types of cooperation between the construction industry and residents are well suited to free additional impetus for urban renewal.

Though it is true that it is five minutes to midnight for many cities and communities, much may still be saved by appropriate concentration on the rehabilitation of old buildings.

Unification Raises Issue of Farmers' Ownership Rights

90GE0071A East Berlin BAUERN ECHO in German
20 Mar 90 p 5

[Article by economist Dr. Joachim Domeratzky and agronomist Dr. Uwe Kuehnelt, Institute for Agricultural Economic Policy, GDR Agricultural Academy: "Union and Property in Agriculture—Viewpoints on Burning Questions in Growing Together"]

[Text] What problems are there?

Through the land reform under Allied laws, property was taken without compensation from all big land owners with over 250 acres of property, as well as from all war criminals and Nazi leaders. The confiscated area was given to new settlers, but also transferred to state ownership. Since the early 1950's, the farmers had been forced to either join the farming cooperatives (LPG's) [agricultural producer cooperative] or give up their private enterprises. This was done through various means, above all through economic pressure. The state-controlled economy has proven to be unproductive and ecologically destructive. For that reason, it has no future.

How will agriculture be organized in the future?

The commune principle is not wrong, but rather the forced mergings and the replacement of communal decisions by state plan requirements.

That is why groundwork must be laid to enable the LPG's to be changed into voluntary communes. The new combinations will become smaller, as a rule limited to the boundaries of individual villages and locales. The previously separated fields of agriculture with and without livestock must be brought back together.

The farmers must have the choice of either completely or partially incorporating their farms into voluntary communes, or making their fortune on their own.

Beyond that, goods remaining in public ownership (state goods) could continue to be used for special purposes (research, seed, and seedlings).

What ownership arrangements are necessary for this?

- Private property remains in private hands. The owner can work the land on his own account, together with others, or in a voluntarily formed commune with others.
- Ownership of publicly-owned land should be transferred to the future voluntary communes to the extent that they are not needed for other purposes. All farm owners may join a voluntary commune. If no voluntary commune develops, the parcels previously in

public ownership will be given over to the old communes, which will decide on the future use of the land.

- Private property owners as well as voluntary communes can buy and sell land tracts, and can lease or farm them out. The communes should be given purchase preference in order to ensure agricultural use of the land.
- A distinction must be made between parcels which fall under the refugee and trusteeship rights. To the extent that the LPG's entrusted such parcels in the past to new settlers for farming, ownership should be transferred to those settlers. Depending on whether the settlers have already made payments on it or not, this would either be at no cost or at an appropriate sale price, or via inheritance. Prior owners of this property are to be reimbursed. For land tracts from the refugee and trusteeship holdings which have not been given over to third parties, the property owners could be given their property back. If they want to work their land (again), they must be given the opportunity to do that. They must declare their intent in that regard within a specific time period. If they do not want to use the tracts for agricultural purposes in the future or if they do not make an appropriate declaration within the time limit, it should be considered permanently confiscated. The prior owner then only has the claim to reimbursement. These tracts can then be managed as other publicly-owned property.

What must the lawmakers do?

- It must be clearly stated that all property seizures are permanent, which makes sense so they can be kept in that state. In addition, all de facto seizures which are not to be reversed must be confirmed by law. Likewise, reimbursement procedures are to be provided.
- The land reform based on Allied Law before 1950 is a closed matter, and is legally in effect. It should remain so. Seizures on the basis of construction law (eminent domain) and later legal stipulations are also in effect. Legally, there is no necessity for that to be once again confirmed by the freely elected People's Chamber. In any case, the legitimacy of the new order in the GDR would be confirmed if the now freely elected People's Chamber would specifically confirm by law the effectiveness of the seizures previously carried out.
- As far as de facto seizures (particularly in the case of refugees and trusteeship rights) are not to be made retroactive, the new freely elected People's Chamber must clearly establish by law that the prior owners are considered owners of property seized from this point on. They must likewise establish in whose property the confiscated pieces are being transferred.
- To the extent that the return of confiscated property is being considered, details such as prerequisites, reimbursements, must be regulated by law.

Must reimbursements be paid? (According to West German law)

It depends how and when property was seized.

All seizure which rest on formal laws are final and closed. Nothing else need be done here, even when property was seized without compensation or with insufficient compensation.

There had been no compensation in the past for seizures only in fact (with no legal backing). If only for the reason of equal treatment, reimbursements must still be made.

What should be compensated?

During the reversal of past seizures for lost uses, compensation should be paid for the land tracts themselves and the buildings which stood on them at the time of seizure.

The standard to use for compensation is not the present worth, but rather the value of the land and buildings at the time of seizure. For de facto land seizures, it is at the time it was placed under state administration. Because of the details, regulations dating back to that time may be applicable, such as the West German compensation law of 25 April 1960. Property owners of land which was taken de facto in the past and is now being taken by law will not fare worse than the property owners which lost their land on the basis of formal laws. They are also not worse off than property owners who freely sold their property at that time for approved prices. Through that, they do not have to make any special sacrifice.

As far as seizures which are to be reversed, compensation is to be paid for lost use. For land tracts which have been further rented or leased (for housing, for example), the lost use compensation is valued at the amount of rent which had been paid during the time of seizure. If the land and building users had not paid rent or lease interest, it counts as compensation for use, which could have been demanded if permitted.

Who should pay compensation?

Compensation claims should be settled, supported by previous procedures in West Germany.

The compensation claims are to be determined by the communes. A court hearing can be called over the compensation against compensation claims. The court will also review the amount of compensation.

Compensations are to be paid out of the state budget.

If there is a combination of East and West Germany, does anything have to change in the regulations concerning property and property seizure?

Fundamentally, no. Even in a combination of the two German states, all the land seizures which occurred under the laws of the GDR are legally in effect. That also applies to seizures without compensation.

One exception: certain land seizures, which occurred without compensation, must be reversed in the case where good standing does not match the associated penal character of the seizure. An example would be because of

"fleeing the Republic." With the exception of such cases, it should not be feared that there will be mass reversal of property seizure and compensation cases, in the event the two German states are combined.

Dresden Infrastructure Decay Detailed

90GE0074A Frankfurt/Main FRANKFURTER
ALLGEMEINE in German 21 Apr 90 p 15

[Article by Andreas Mauksch, chairman of the Dresden Bezirk Planning Commission: "Worn-Out, Outmoded, Dilapidated"—first paragraph is FRANKFURTER ALLGEMEINE introduction]

[Text] Crumbling streets, dilapidated cities, deteriorated and outmoded factories—this is the mortgage which remains in the GDR after 40 years of real existing socialism. And, at that, many areas in the eastern part of Germany, say, in Saxony, were prosperous industrial territories before the war. Today's Dresden Bezirk is an example of this fact. Moreover, it was deliberately neglected during the Honecker era in favor of East Berlin. When Berlin became 750 years old, exacerbated Dresdeners referred to the age of their city, which had been deprived of investment funds for the purpose of preparing the jubilee of the capital city by using advertising posters. Andreas Mauksch, deputy chairman of the Dresden Bezirk Council and chairman of the Dresden Bezirk Planning Commission, a man who is part of the "roped-together team" of Dresden's Lord Mayor Wolfgang Berghofer, paints a shattering picture of the economic condition of this bezirk.

The political crisis in the GDR which arose as a result of the peaceful revolution during October of 1989 is now reverberating in the economy. Performances in many areas of the economy are stagnating or are developing in a retrograde direction. If this decline in the economy is not successfully halted, then this will again reverberate upon political stability.

The need for action is great. The analyses and experiences dealing with the development of the economy and of the life of the citizens of Dresden Bezirk contain a sizable bundle of economic demands and development imperatives: higher requirements for construction performance, measures designed to overcome manpower shortages, an attractive offering of consumer goods, adequate repair capacities—these are only a few of the talking point foci.

When everything is brought down to a common denominator: high demands are being placed on performance capability and developmental pace with respect to the economy which, in our opinion today, can only be realized by making the transition to a market economy, whereby it must be made even clearer to our people that this requires consistency—that "a little market" will not be possible.

The starting point for our work is the considerable economic potential which exists in the GDR's southern

bezirks. For example, Dresden Bezirk is among the industrial concentration areas of the GDR. Some 10.5 percent of the populace, 10.6 percent of all white collar workers, and 12.1 percent of all industrial blue collar workers live on 6.2 percent of the total area of the GDR. The high concentration of the population and of industrial production becomes clear when one considers the population density of 262 inhabitants per square kilometer (GDR—154) and industrial density of 54 workers per square kilometer (GDR—29). By way of comparison, Land Baden-Wuerttemberg, which has a similar population density of 259 inhabitants per square kilometer, has an industrial density of 41 workers per square kilometer. In other words, in the Federal Republic of Germany there is a substantially more favorable ratio between the secondary and the tertiary sectors.

In Dresden Bezirk, significant production potentials pertaining to all industrial branches are localized. Of special significance for the economy of the GDR are the general machine, agricultural machinery, and vehicle building enterprises which have 17.9 percent of the blue and white collar workers and occupy 15.6 percent of the structural basic assets of all enterprises in the GDR, enterprises of the electrotechnical and electronics industry (15.9 and 5.8 percent, respectively), and enterprises of the light industry (14.4 and 17.2 percent, respectively). The building materials industry, with its extraction of natural stone and aggregates, has great significance for the GDR, at least as far as the southern bezirks are concerned.

The efficiency of the economic potential which exists in the southern bezirks in terms of total development is diminished, however, by the presence of a number of disproportions which have become exacerbated over recent years and which exert an increasingly negative influence upon overall development. This can be seen in Dresden Bezirk.

1. There is, on the one hand, the available, but declining capacity for work and, on the other hand, the inadequately productive and efficient commitment which exists in many enterprises and installations, the far too modest savings of embodied labor as a result of rationalization in industry, for example, and the resulting absence of profit opportunities for the construction industry or for the services sector.

From the multiplicity of problems, I would like to emphasize that more than one-half—precisely 57 percent—of the population decline involves the age group of work-capable individuals and that, despite the wave of emigration in 1989, which resulted in a population decrease of 44,300 individuals, a continuous decrease in population had been occurring in prior years.

Although a great deal of differentiation has occurred in the development of recent years among white collar workers, the decrease of blue collar workers in industry, however, has dominated. Involving 24,500 individuals, it accounts for 75 percent of the total decrease of

individuals who are employed. Over and above this, it must be added that the decrease of 32,000 individuals last year was almost as great as the total decline in employment for the years 1985 through 1989.

We Must Not Constantly Borrow From Our Grandchildren

2. Existing disproportions in the GDR between the means and capacities which have been committed for the development of production and for the solution of environmental problems are well known. Every future measure to develop production must, at the same time, serve to dismantle existing problems and must, in no event, lead to the further deterioration of the air or of the water as a result of that production. This requires extremely high financial and material expenditures which we must take into account to a substantially greater degree than has been the case hitherto, even at the expense of other tasks. We cannot continue to borrow from our children and grandchildren forever. Here, also new stimuli in the form of structural changes in industry, in the form of the import of know-how, and capital for the establishment of an entirely new industrial branch must be applied.

3. There is the palpable difference in all areas and branches between construction output and accumulated as well as new needs for construction. In this regard, consideration must be given to the high degree to which basic production assets in the majority of enterprises in Dresden Bezirk are worn-out—a bezirk which ranks last among all bezirks in terms of the age of its industrial construction substance. In comparison with the average for the GDR (37.8 percent), the degree to which the basic construction assets of industry here are worn-out is palpably higher (41.6 percent). Land Sachsen was already highly industrialized in 1945 so that a high share of buildings date back to that time and the necessary maintenance measures have not been undertaken.

The small average size of work and production shops in the bezirk is justified by the fact that it is precisely these enterprises which came into being by amalgamating small and the smallest of enterprises. As far as the equipment of plants with basic assets is concerned, particularly with machinery, these enterprises lag behind the average of the levels achieved throughout the GDR.

Without underestimating the necessity for a qualitative improvement in the construction-type basic assets—anyone who is familiar with plants in this area earns the respect of those working there if he shares their opinion that a modernization of the equipment and the introduction of new technologies in the plants could result in a palpable increase in the efficiency of production.

Although in the GDR the share of industry in the produced national income increased from 64.5 percent in 1970 to 70.3 percent in 1985, this was only accomplished as a result of above-average growth of industrial enterprises in the electronics and electrotechnical industries, in the precision mechanics and optics industries, in

data processing and office machine construction, as well as through the expenditures designed to secure the energy base. While for the period 1975 through 1987, the above-named branches were allocated around 80 percent of all investments, the age and degree of wear-out of the basic assets of the other branches increased. Replacement investments were practically realized only as a result of mining development, but also failed to result in the adequate scrapping of obsolete basic assets.

Since the share of priority-developed branches in Dresden Bezirk is particularly high, this investment policy had particularly unfavorable results with respect to the remaining areas, considering the limited capacities which exist.

Many urgent construction projects had to be deferred repeatedly over the past years, including projects aimed at improving the supply of beverages and baked goods, fish and luxury foods, warehouse structures for retail and wholesale purposes, healthcare facilities, facilities for trade and catering, as well as projects designed to maintain the value of structures, particularly in historical city centers. In this regard, the primary problem for the bezirk was the decline in the number of construction workers, which has been continuing for years. Thus, the number of employees in the construction industry in the last three years declined by 5,270, that is, by around eight percent, and the decline was not equalized through improvements in technologies and equipment.

4. Of great influence upon future development is the fact that increasing gaps are opening between the demands upon and the possibilities at the disposal of the technical infrastructure. The exhaustion of the performance potential at the disposal of the infrastructure is purely economic in nature, but the long neglect of renovation work, for example, involving the networks for energy and water supply, must be changed. Currently, 15 percent of the pipeline network used for the water supply economy are more than 90 years old; 67 percent of the pipelines were laid between 1900 and 1945. The quota for overhead electric transmission lines determined to be worn out lies between 67 and 85 percent, that for transformer stations between 56 and 66 percent; for low-pressure gas transmission lines 71 percent and for medium-pressure gas lines 51 percent. Finally, 68 percent of the municipal streets and 55 percent of the municipal highway bridges, including four bridges across the Elbe River, are considered to be in Condition III and Condition IV—in other words, in miserable condition. Particularly complicated conditions exist with respect to the networks and facilities of the streetcar system as the carrier of the public short-distance transportation system for the city of Dresden.

The high expenditures in materiel and money, as well as the necessary capacity expansions, for example, with respect to potable water and heat energy deliveries, must, of necessity, be counteracted by less consumption or consumption reductions, even as a result of yet to be

created economic and administrative pressures for conservation or for rational self-supply on the part of consumers. Naturally, here we are again in the act of discussing the problem area of subsidy policies. The fact that the mastery of such processes requires new measuring equipment is something which is obvious to the Federal Republic of Germany and yet remains a problem for the GDR. In actual fact, this already begins with simple water meters.

What Is To Become of the High Technology?

5. In some areas of the bezirk, particularly in the "upper Elbe River Valley" concentration area, in which 46.4 percent of the basic structural assets and 45.8 percent of the production personnel are concentrated in 28.6 percent of the territory of the bezirk (population density is 471 inhabitants per square kilometer, industrial density is 102 workers per square kilometer) as well as in other dense areas and concentration points such as Bautzen, Loebau, Zittau, Goerlitz, and Riesa, disproportions overlap to such an extent that general excess demands have occurred with respect to the individual economic activities.

But even in a concentration area such as Dresden, the location of industrial facilities is quite differentiated. In addition to the previously named industrial concentration areas, for example, Grossenhain, Kamenz, and Niesky Kreises are characterized by agricultural activities and Dippoldiswalde by tourism. However, the differentiation in the spatial distribution of industrial facilities can be also noted within the individual kreis. Thus, there are only a few industrial facilities in Riesa Kreis and Goerlitz-rural Kreis and industrial facilities are only concentrated in a narrow concentration strip in Meissen Kreis and Pirna Kreis, whereas the remaining areas of the districts are given over to agricultural production or, in Pirna Kreis, tourism.

The additional concentration of production as a result of the expansion and compaction of facilities in existing locations, which has taken place in recent years, has resulted in the fact that utilization of land parcel areas in the bezirk has become double that of the average for the GDR. This relatively intensive use of land, which already exists today, has resulted in the fact that particularly the concentration area of the "upper Elbe River Valley" generally has no more or only inadequate developmental land available in industrial locations. For many enterprises, this concentration is palpable in terms of deteriorating prerequisites for their reproduction and citizens feel it in terms of stagnation and restriction of living conditions.

6. There is no doubt that the bezirk will need new considerations to promote its economic structure. Enormous stresses result, now as before, from the tasks involved in securing the coal supply for the power plants from the Berzdorf and Olbersdorf mines, which is, in turn, connected with stresses on the environment and landscape. This is another area which is replete with

strategic tasks involving supraregional collaboration between the Federal Republic of Germany and the GDR.

New considerations are required with respect to the integration of existing high tech policy in the Dresden area, particularly in the electrical industry. What is involved here is the intensification of the use of the massive fund advances through improvements in the international division of labor, accompanied by a reduction in production depth.

Fundamentally central requirements include measures such as those intended to increase the performance capability of subcontractor and repair part production, measures intended to make it possible for enterprises engaged in the building materials trade to once more acquire basic materials so that a supply economy can come into being in place of a scarce commodity administration. In this regard, it is urgently desirable to change the performance structure of the combines and enterprises. The role played by small and medium-size enterprises of different kinds of ownership forms must be newly appraised.

7. With regard to the size structure of plants, the bezirk is characterized by small and medium-size enterprises. Currently, the industry in the bezirk includes 437 independent enterprises with an average number of 930 employees, which encompass almost 4,000 territorially separated establishments; this means that every enterprise consists on the average of nine establishments which employ an average of 95 employees each. The overwhelming majority of these enterprise segments formed the middle class through 1972 as independent enterprises. Their amalgamation into larger and large units was a result of a government decision, whereby in most of the enterprises this "incorporation" remained at the level of a management-organizational amalgamation which resulted in higher productivity on the part of the larger production units only in exceptional cases.

In 1960, the bezirk still had 2,445 independent enterprises, of which 25.2 percent were State-owned and 29.4 percent were semi-State operations (that is to say, the State's share in the enterprise amounted to more than 50 percent). Some 45.4 percent of the enterprises, for the most part small and very small establishments, were in private hands.

In contrast to the number of enterprises, however, the number of establishments and their size structure have only changed slightly—if one disregards the few new establishments which arose "on their own hook" so to speak. Only one enterprise, the Riesa Pipe Combine, has a facility employing more than 5,000 workers. Only 14 facilities, including five in the basic materials industry and four in the electrotechnical/electronics industry have more than 2,500 employees. In contrast, some 72 percent of all facilities employ fewer than 50 workers and 24 percent of all facilities employ between 50 and 500 workers. In judging these size groups, however, the fact

that of the 2,648 facilities employing fewer than 50 workers only 44.6 percent are production facilities needs to be taken into account. The remaining establishments are warehouses, facilities for research, development, and management (particularly in the city of Dresden), but also include enterprise recreational facilities, etc.

The Old Weaver Villages Still Exist

Part of the "middle class" characteristic locations (production facilities employing between 50 and 500 workers) is, above all, the textile industry in Oberlausitz Kreis (Bischofswerda, Loebau, Zittau, and the southern portion of Bautzen Kreis) where historically based textile processing (spinning, weaving, and knitting) is settled in so-called "weaver villages." However, the production facilities are obsolete today, many of them date back to the last century; only in exceptional cases was expansion or replacement accomplished after 1945. Despite unsatisfactory production conditions, relatively stable permanent work crews exist here on the basis of ties to their territorial areas and their homes.

In the appliance industry, as well as in the electrotechnical and electronics industry, there are a number of relatively strong concentrations of smaller production facilities in Dippoldiswalde, Pirna, Freital, Dresden-rural Kreises, as well as in the city of Dresden itself.

The situation which came into being with the establishment of the combines and large-scale enterprises in industry should and will be changed. What is now involved is the rapidly visible application of practical solutions to the improvement of the country. For Dresden Bezirk, I would like to list 10 key points in this regard:

1. altering the organizational structure of industry, including the work means related to it, while promoting middle-size enterprises; overcoming the plant location fragmentation; streamlining the machine building industry and the microelectronics industry and dismantling of energy-intensive product lines;
2. increasing the performance output of the construction industry while retaining a demand-justified trade structure; enforcing the priority of maintenance and renovation operations over replacement and expansion construction;
3. demand-justified development of the technical infrastructure;
4. development and streamlining of favorable relationships between science and production;
5. creation of economic and efficient conditions for the conduct of railroad and highway freight traffic;
6. creation of efficient structures and proportions in agriculture (taking into account ecological aspects);
7. elimination of the high stresses upon the environment; temporary priority of ecology over economy;

8. promotion of tourism;
9. promotion of services and repair services by artisans;
10. improvements in the medical care for the populace.

Currently, new working structures are being created within the framework of conceptional work performed by the Council for Dresden Bezirk in order to achieve the above key points: an office for medium-size industrial activities is being established which shall be authorized to issue trading licenses and kreis trade offices will be opened. It is intended to restructure the planning commission into an office for area planning and economics, in order to create conditions in this area which would be commensurate to those of the new state bodies. This process will be continued. A working circle has been created for the beginning reprivatization of formerly private and "semi-State" enterprises which will rapidly process all applications.

The GDR can barely master the economic crisis with its own forces. But the chance of a new period of rapid industrial expansion is at hand. It must not be missed. In this regard, the GDR has much to contribute. It possesses a highly qualified potential in the form of specialized cadres, large scientific-technical capacities at advanced and specialized schools, institutes, and research facilities of the enterprises and combines and a developed distribution system in the Soviet market and market experiences in the USSR which are hardly matched by any other country.

This can be useful to many. Nevertheless, we confront great problems in the transition toward a market economy. Toward this end, we need consultation, primarily intensive private-economic cooperation and interconnections. Here, the German middle class is challenged to bring to bear all of its joy for innovation, its readiness to assume risks, and its flexibility.

POLAND

Prospects For Trade With Ecuador Viewed

90EP0469B Warsaw RYNKI ZAGRANICZNE in Polish No 28, 8 Mar 90 p 8

[Article by Andrzej Krzemirski: "Ecuador—A Small but Promising Partner"]

[Text] In Guayaquil, the first session of the Polish-Ecuadorian joint commission took place after a twelve-year break. The signing of a new trade agreement was its chief effect. It replaced the previous agreement, which had been concluded twelve years ago and which no longer favored the stimulation of mutual economic relations.

It is true that the contacts between Ecuador and Poland have a rather long tradition, but their measurable results have been rather modest until now. This was particularly influenced by poor acquisitions activity and also the

suspension of the activity of the Polish diplomatic post in Quito for economic reasons, as well as the great distance separating the two countries.

In 1988-89, a certain revival of trade relations occurred. The reactivation of the Polish embassy in Ecuador contributed to this to a large degree. However, the turnover of goods was still not large, and its structure did not undergo any change. In our deliveries, electric energy meters, abrasive materials, chemical products, tools, and vodka continued to predominate, and Ecuadorian export embraced in the traditional manner bananas, fish meal, and tropical wood.

In this situation, the creation of appropriate conditions for the expansion of mutual trade and the differentiation of its goods structure so that it would respond to actual demand in both countries was an object of concern for both sides during the session of the joint commission. The Polish delegation also indicated the necessity to revive acquisitions activity by businesses from both countries as well as the need to create a trade section in the Ecuadorian diplomatic representation in Warsaw. Greater activity among firms engaged in export and import is especially desirable with respect to the decentralization of Polish foreign trade and its liberalization as well as with respect to the general changes of the economic system in our country. These reforms, moreover, met with great interest and good will on the part of Ecuadorian partners.

Both sides were in agreement as to the need for exchanging missions composed of entrepreneurs, the expansion of contacts between chambers of commerce, and participation in exhibitions and trade shows. The Ecuadorian side invited Poland to participate in the fair in Guayaquil in October 1991. An analogous invitation with regard to this year's Poznan International Fair was sent to the authorities in Ecuador.

As far as Ecuadorian export offerings are concerned, they were widened by numerous, nontraditional goods. Aside from bananas, coffee, and cocoa, many products obtained from processing them were also offered. The list of articles offered by the fishery there is very long. And here also, in addition to fish and shellfish in their natural state, appear many canned varieties. In Ecuador one may also acquire exquisite articles of consumption, among them, candies, tea, herbs, but, above all, tropical fruit products. The offerings are complemented by industrial products, such as, textiles, footwear, confectations, carpets, ceramics, and plastic articles, as well as crafts.

The talks in Guayaquil showed the considerable interest of the Ecuadorian side in the purchase of goods in Poland, which in large part concerns capital goods. Shipowners from Ecuador are ready to buy new and used freighters of 15,000 to 20,000 metric ton net capacity and freezer ships of 2,500 to 3,000 metric ton capacity. They are also interested in supplies of spare parts for units built in the past by the Polish shipyards. In our

country, the Ecuadorian side could also buy port and shipyard machines and equipment, nautical survey boats, and equipment ensuring navigational safety.

Moreover, an interest in exporting agricultural and construction machinery as well as pesticides and fertilizers from Poland was expressed. The Ecuadorian Electrification Institute would also like to entrust Polish businesses with replacing the equipment our country supplied for the power station in Manta and also with the renovation work on the grounds of this building.

Considering the difficult economic situation in Poland, the possibilities of financing our deliveries to Ecuador in the form of government credits will of necessity be very limited. Therefore, it was proposed to look into whether international development banks could not impart such support. It may not be excluded either that some Polish companies will be in a state to extend purchase credits to the Ecuadorian partners.

Withdrawal from the system of clearing accounts, which to a serious degree has slowed the development of trade exchange, should be a very great simplification for both countries. Because in accordance with the agreement signed in Guayaquil, trade between Ecuador and Poland will be cleared in hard currency. In the same way, in our relations with Latin America, the recent agreement sanctioning clearing was eliminated.

The modest results of trade exchange up until now have impelled both sides to pay attention to more advanced forms of economic cooperation, particularly in the form of businesses of mixed capital, which would engage in manufacturing and trade and also complementary productive activity. In some spheres, preparations to create joint ventures are already advanced. This concerns the production of abrasive materials, the assembly of electric energy and water meters, and the distribution of X-ray film and the recovery of silver from it.

The Ecuadorian side also voiced interest in the creation of joint ventures in other branches of industry. These propositions refer to the building of cast iron foundries, spiral-welded steel pipe factories, fertilizer plants, and cotton mills.

It seems that great hopes may be tied to cooperation in fishing, to which our Ecuadorian partners attach particular importance. They are interested in supplies of equipment and technical assistance in the construction of a dry dock for the production and overhaul of fishing vessels. Cooperation in the development of small-scale, coastal fishing would also come into play. It could involve the export to Ecuador of fishing equipment as well as equipment and cranes for building a dry dock in which boats could be produced and renovated. Ecuadorian companies are also interested in purchasing fishing vessels and equipment for processing plants.

The talks during the session of the joint commission concerned the possible negotiation of agreements on

technical and cultural cooperation as well as interdepartmental agreements on scientific and technological cooperation.

Recapitulating, it may be said that the Ecuadorian side's considerable interest in imports from Poland, particularly investment equipment and various forms of productive cooperation, also creates chances for increasing our purchases in Ecuador. Thanks to the just signed agreement, a convenient institutional framework has been created. What is more, the climate in mutual relations is also very advantageous. The exploitation of these favorable circumstances will depend, however, on the inventiveness of enterprises from both countries.

Custom Tariffs To Be Reduced, Suspended Temporarily

90EP0469A Warsaw RYNKI ZAGRANICZNE in Polish
No 28, 8 Mar 90 p 2

[Article by Monika Sowa: "Changes in Customs Tariffs"]

[Text] The Council of Ministers approved two decrees in the area of the liberalization of customs tariffs. The first of them provides for the suspension until the end of the year of customs on raw materials used in the manufacture of plant-defending agents as well as finished herbicides, pesticides, rodent poisons, and fungicides. The suspension also concerns other resources for agricultural production: products that reduce the sprouting of plants, plant-growth regulators, various types of agricultural machines, such as, milking machines, mowers, straw and fodder presses, harvester combines, tractors, incubators for poultry, equipment for pulverizing plant-defending agents and artificial fertilizers, machines for cultivating the soil, and so forth.

The second order of the Council of Ministers provides for the reduction of customs rates on imports of: electronic equipment (from 40 percent to 12 percent); medicines and dressing materials (to 3 percent); dyes (8 percent); film and photographic plates (to 3 percent); leather (10 percent); parchment, oil-resistant papers, drafting paper (10 percent); glass (15 percent), with the exception of glass for medical purposes (5 percent); glass fiber and products made from it (15 percent); rolled products made of iron and carbon steel (8 percent); contrast preparations for X-rays, dental cements, and cements for reconstructing bones (0 percent).

It follows from the above arrangement that the liberalization of customs tariffs on imports so far concerns a small group of products—chiefly, productive resources for agriculture, photography, and medicine. The reduction of customs on electronic equipment has greater significance. The supposition may be expressed that in connection with the rather high surpluses of hard currency exports over imports, which have become visible in January and February, the efforts on behalf of import liberalization will be continued.

At the same time the preparations are continuing in the Ministry of Finance for the introduction of a general turnover tax beginning 1 April on all goods imported to the country by private persons (that is, physical persons not carrying on economic activity). Until now, these persons only paid taxes in reference to five groups of goods (comestibles, automobiles). As we were informed in the Ministry of Finance, the turnover tax on the above-mentioned five groups of goods will probably remain at the unchanged level, however, a tax of 25 percent will be imposed on all the remaining goods.

The new tax will therefore to a significant extent check private import, which, as it turns out, continues to blossom in spite of the introduction of many limitations since 1 January. The "special train from Odessa," which has already become famous, is a symptom of this. Participants in smuggling paid more than 400 million zlotys in customs. It is easy to calculate that since 1 April they would have had to add 25 percent of the Polish value of the imported goods, which has been estimated at 4.5 billion zlotys, in other words, they would have had to throw in about 1.1 billion zlotys.

Together with the new turnover tax on private imports, the question of the unequal treatment of persons of Polish and foreign extraction will probably also be regulated. Up until now, foreigners performing private import were free from payment of a turnover tax. As a result, in the case of the import of alcohol, a foreigner paid only 100 percent customs, while a Pole paid all together nine times more (adding the 800 percent tax). Adroit citizens took advantage of this legal loophole, conducting massive imports of, among other things, alcoholic spirits.

New Opportunities for Purchase of Hunting Weapons; Prices Listed

90P20028A Warsaw RZECZPOSPOLITA in Polish 8 May 90 p 2

[Unattributed article: "Hunting Weapons"]

[Text] Street vending of meat—due to the heat—is slowly ending. It is high time to start hunting. In reality, it will end up costing much more, but one's diet and health is guaranteed.

In any case—speaking seriously—for those whose hobby is hunting, new opportunities have arisen for obtaining weapons, ammunition, and accessories from world-renowned firms. The requirements include having a ready supply of funds because the products of the Browning, Parker Hale, or Winchester firms cost a lot. Such weapons are offered by the firm of Erkom at a recently opened store in Warsaw next to Grzybowska Street. Projectile weapons, or Browning hunting rifles, cost 18.2 million zlotys here, whereas Parker Hale rifles cost anywhere from 9.8 to 17.7 million zlotys, depending on the model. Birdshot weapons, in other words double-barreled shotguns by Silma, cost 9.8 million zlotys, and a Browning costs 13.7 million zlotys.

Hunting weapons are also available for purchase in the Jednosc Lowiecka cooperative stores, which are the main suppliers of Polish hunters. Prices are lower here but diversified enough and, as the salesmen claim, they change from day to day. In the selection, aside from items produced domestically, there are primarily imports from the Soviet Union, Czechoslovakia, and the GDR.

Shotguns may be purchased here from 1.3 to 17.7 million zlotys, depending on the model and gauge. Rifles sell for 1.5 to 5 million zlotys. Cases sell from 40 to 120 thousand zlotys.

Ammunition prices: rifle cartridges from 2,000 to 3,000 zlotys, shotgun shells from 1,200 to 1,600 zlotys.

Newer Production Processes Hoped For With Austrian Leasing Company

90EP0491C Warsaw ZYCIE WARSZAWY in Polish 7 Mar 90 p 2

[Article by (kmk): "What Is 'Leasing'?"]

[Text] "Leasing," i.e., renting a machine or production line for a specific production, is quite new to us. Yet the advantages of this type of activity are known throughout the world: the firm leasing the machine does not have to pay for it immediately and it can also pay its bills from the output of these machines. Finally, when the production profile changes, it can return the machines and lease others.

The first Polish-Austrian leasing company, EPALG (it is to be registered in court any day now) is an opportunity to introduce modern production processes to Poland at a relatively low price. That this is a substantial proposal is attested to by the company's shareholders: Raiffeisen Zentralbank, representing 20 percent of the Austrian bank capital, and the ELSNER company, which has been collaborating with Poland for 15 years (it has been a shareholder in over 30 food industry ventures).

Our side is represented by the Polish Development Corporation, a holding company, whose shareholders include the PKO Bank Fund for Structural Changes, PKO State Bank, and WESTA in Lodz.

EPALG primarily wants to invest in agriculture and food processing.

We asked the head of the company the following question: "What kind of enterprises can apply for EPALG help?" The reply was both brief and explicit: "The kind that will guarantee a profit and have very good management. We give them machines which must produce large amounts."

Large Butter Reserves Convince Ministry To Approve Exports

90EP0491D Warsaw RZECZPOSPOLITA in Polish
7 Mar 90 p 2

[Article by A.S.: "What Is To Be Done With the Butter?—Export Without Dumping"]

[Text] We are being crushed by a mountain of butter. Stocks in the dairy cooperatives are growing and the wholesale warehouses are also filled to the ceiling. The butter is going bad because not much is being sold, despite the fact that the price of butter is much lower than the cost of producing it. Some producers have calculated that a kilogram of butter costs them about 24,000 zlotys, and the sales price does not exceed 8,000 zlotys.

Stocks are not shrinking, although the production houses are sending trucks with butter throughout the country, selling it on the streets and bazaars at prices cheaper than in the shops.

Therefore, it is not surprising that the production houses are flooding the Ministry of Foreign Economic Cooperation with requests for permission to export butter.

"We see nothing standing in the way of this," they tell us in the Department of Commodity Sales and Services. And they give permission to everyone who fulfills the conditions, i.e., submits a copy of a contract. Because the rule is that the sales price cannot be below that of the GATT price (\$1,350 per ton). The exception is refrigerated butter stored more than 6 months, which can be sold cheaper.

Thus far, the ministry has issued permits to about 30 companies which will export a total of about 40,000 tons. Fulfillment of these contracts is underway and a few hundred tons of butter has already left Poland.

The ministry will issue export permits as long as there is a surplus in relation to the needs of the domestic market. Right now there is a lot of butter and the export possibilities are unlimited.

Coal: May Prices Up, Consumer Pays Transport Fees

90EP0546A Warsaw GAZETA WYBORCZA in Polish
4 May 90 p 2

[Article by RS: "Coal, Electricity, and Money"]

[Text] Coal will become five percent more expensive effective 7 May, and power in June, when tariffs for railroad transportation are raised. The price of coal will depend on its quality and distance from the mine.

The date of introduction of the new coal prices was postponed from 2 May to 7 May because information on changes has not reached those who trade in it.

The average price of coal will increase by five percent, and transportation fees will be paid separately. Until now, the price of coal has been the same throughout the country. The state treasury, which subsidized mining, paid for transportation, and the cost was included in the cost of mining coal. In the first quarter, the average cost of transporting one ton of coal over 300 kilometers came to about 35,000 zlotys. According to the new guidelines, power stations which are the farthest from the mines (for example, Lower Odra) will have to pay two times more for transportation.

Director of the Power Industry and Brown Coal Conglomerate Zbigniew Bicki maintains that for now the new price list is not going to cause power rates to increase. However, they may still increase after 1 June, when the PKP [Polish State Railways] start demanding 25 percent higher payments for the transportation of freight.

Coal prices will depend on coal quality: sulfur content, ash content, and heat equivalent. A new "differential rent" is being designed which is supposed to equalize the opportunities of mines as far as natural mining conditions are concerned. Mines with the best natural conditions will pay rent, and those which operate in the worst environment will be subsidized.

According to Minister of Industry Tadeusz Syryjczyk, the new price list and mining rents are supposed to reveal the actual costs of mining. Until now, they have been obscured by the complex financial systems of mines and the Hard Coal Conglomerate.

Unemployment Statistics: Lodz, Suwalki Especially Hard Hit

90EP0546B Warsaw TRYBUNA in Polish
5-6 May 90 p 1

[Article by ZA-GA: "Already 351,000 Unemployed"]

[Text] The number of persons looking for jobs has been growing. On 1 April, 266,000 unemployed were registered, on 18 April—as many as 318,000, whereas on 30 April there were as many as 351,000 of them. The greatest number of people are looking for work in Lodz—15,637 people, whereas employment services there have 424 requests for personnel on file. In Katowice, there are 13,320 unemployed (5,004), in Olsztyn—12,870 (609), in Bydgoszcz—12,885 (478), in Kielce—11,761 (182), and in Bialystok—10,534 (84).

However, the situation is the most tragic in Suwalki where they have 113 offers of employment for... almost 10,000 unemployed. There, the scale of unemployment approaches West European levels—about 7.5 percent of the labor force. This is also the case in Ciechanow and Lomza. Only in Warsaw does the number of offers (7,016) approximate the number of registered unemployed (7,664). However, these are mainly seasonal jobs in the communal sector. Meanwhile, people with higher and college educations are looking for work.

There are somewhat more jobs available—about 32,000. However, these, likewise, are not the kind of jobs which the unemployed could make into careers. Many people have filed for loans or credit to start their own businesses. However, in all of Poland only 95 such loans have been granted. The Bank of Inexpensive Credit which was announced by the minister of labor and social affairs is still being organized. In Konin and Bydgoszcz Voivodships, employment services have allocated funds in order to prepare extra jobs. A total of 94 loans have been granted. The situation of the handicapped is tragic. They have managed to create only 80 jobs for more than 3,700 unemployed handicapped people.

Rate Change in Bank for Food Economy Noted

90EP0546C Warsaw GAZETA WYBORCZA in Polish
4 May 90 p 2

[Unattributed article: "Bank for Food Economy Changes Its Rate"]

[Text] The Bank for Food Economy will also change the interest rate on its loans and deposits in May. The interest rate on deposits payable on demand will amount to two percent, three-month certificates of deposit—3.5 percent, half-a-year certificates of deposit—4.5 percent, one-year certificates of deposit—five percent, and two-year certificates of deposit—5.5 percent.

In May, the interest rate on loans will amount to between 6.5 and seven percent. The interest on loans past due will accrue at the rate of 12 percent monthly. Debtors whose creditworthiness is in doubt may be charged higher interest.

The above interest rates apply to the Bank for Food Economy and its branches. Cooperative banks set their rates independently.

All banks serving agriculture are entitled to give revolving credit to individual farmers at a fixed rate of interest—24 percent for six months or 30 percent for nine months.

Coal: Surplus Only Temporary, Autumn Price Hike Foretold

90EP0546D Warsaw POLITYKA in Polish No 15,
14 Apr 90 p 4

[Article by Jan Dziadul: "Coal in the Throat"]

[Text] In the fall of 1989, Prime Minister Tadeusz Mazowiecki appealed to miners for greater enthusiasm with regard to work on Saturdays off. In the subsequent weeks, Solidarity followed the route of virtually every ton mined in order to prevent the nomenklatura from concealing it and thus hurting the new authorities. In March of this year, not only were Saturday mining operations suspended, but in many mines production was restricted on other days. We have a surplus of coal; some mines are altogether choking on it. British experts

who a dozen or so years ago closed down mines and organized retraining for almost 100,000 miners have been invited to Poland...

What happened in these several months? Has King Coal abdicated, or is it only a momentary indisposition? Could it be that his might was created by force, just in order to justify the political existence of some power groups?

Mining has resisted the process of reforms the longest. At present, this industry has to swallow much harder than other economic sectors. At present, few people would like to respond to a question about whether the course of this process is going to be painless. For 40 years, the miners were told that they were the most important ones, and they came to believe it. This mentality was asserted in August and September 1988. The strikes which began at Jastrzebie mines brought about the roundtable, elections, and a change of government—and now there is such ingratitude!

The Demand Barrier

The long range plans of the 1970's envisaged that in 1990 we would produce about 230 to 250 million tons of coal (at the time we were getting close to 200 million) and it would be likely that this would not be enough. Last year, 180 million tons were produced, and it was not enough. For this year, 23 theoretically independent mines and 47 mines belonging to the Hard Coal Conglomerate, which is being liquidated, signed up for about 160 million tons (including Saturdays). This considerable decline in output caused the export offer to be reduced. The amount of 15 million tons was the upper limit of what could be sold without upsetting the fuel balance (in recent years, twice as much was exported).

The beginning of the year was favorable: The mines produced more coal than they had previously signed up for (these aces up one's sleeve were until recently referred to as above-the-plan output) which substantiated the assumption that this year will end with a surplus of 4 to 5 million tons. Unfortunately, not only is the "hump" failing to materialize, but output, low to begin with, will be drastically reduced (they are even talking about 140 million). For the first time since time immemorial, coal has run into a demand barrier.

In the second half of January, "Samopomoc Chlopska," which provides lump (stove) coal for the populace, purchased only 1.7 million tons for the first quarter instead of 5.1 million tons. The fivefold price increase at the beginning of the year and the third mild winter in a row caused fuel storage to overflow. To be sure, there is enough space there, but at present hardly anybody wants to buy an unsalable commodity for which previously loans had to be obtained at high rates of interest.

However, it was something else that exacerbated the situation of mines and miners who suddenly came face to face with the prospect of unemployment. Basic consumers, power stations and heating plants, do not want

to buy coal. This is associated with a considerable decline of output (20 to 30 percent) of the most energy intensive industries: the iron and steel and armaments industries. The mines began to choke on the coal produced.

We are looking to exports for salvation. The Soviet Union purchased several million tons (more could be sold but the capacity of border crossings does not make this possible). We have also persuaded Western customers to make additional purchases. Several states agreed to increase their reserves within the framework of aid to Poland (for example, the reserves of the FRG are estimated to be between 50 and 60 million tons). As a result, we will export more than 30 million tons of coal, at about \$50 per ton, instead of 15 tons.

Additional export contracts ameliorated the situation of mines only to some degree. There is still too much coal (for now). This is why in the beginning of March work on Saturdays was suspended without major resistance (this is about 15 million tons of coal per year), and daily output declined from 615,000 to 580,000 tons. Indications are that it will continue falling.

The Coal War

The mines started a merciless fight for customers who until recently were assigned to specific mining enterprises. For their part, the customers, freed from coercion, began to pick and choose. For example, the Siersza Mine in Trzebinia used to deliver all of the coal mined to the nearby power station of the same name through underground pipelines. The surplus of coal caused the power industry people to begin looking around for better coal (with lower sulfur and ash content) which they found in Cieczot, about 100 kilometers away. Unfortunately for the power station, the railway tracks run through the compound of the Siersza Mine. The first train with coal from Cieczot was blocked. It almost came to "a coal war." For three days, the reasoning of the power station: smaller fines for environmental pollution—clashed with the arguments of the miners: This threatens the closure of the mine and the loss of jobs for 6,000 people. After all, nobody else is going to buy polluted coal. In letters which were read in churches the miners appealed for sympathetic understanding...

The surplus of coal (temporary—more about this later) revealed all the weaknesses of our mining industry. It turns out that about 100 million tons leave the mines without undergoing the basic process of dressing. In this form, coal can only be sold and burned in Poland. Nobody in the West is going to buy it even for peanuts. Therefore, the condition of our environment is hardly surprising. The coal-dressing installation for Siersza alone is supposed to cost almost 170 billion zlotys. We would have to spend astronomical amounts of money in order to dress all the coal and upgrade it to a condition which would make it exportable.

The two Sierszas came to terms: The power station is going to take in only as much coal as the mine needs in

order to remain afloat until desulfurization equipment is installed. Other mines (Janina and Jaworzno) which have similar problems with coal quality and sales have switched to a four-day work week. (Managers of the Hard Coal Conglomerate shook their heads in disbelief when they learned that in Janina not a single zloty was paid to the miners for the involuntary day off, and nobody did anything about it!).

They save themselves any which way: The Slask Mine pushes the Murcki Mine out of the Laziska Power Station. The little Silesia which almost entirely serves the Siarkopol [Sulfur Combine] will not have any reason to exist if the customer finds better coal... It is known that emissaries from other mines have visited Tarnobrzeg...

A Matter of Providence

Competition among producers is valuable and necessary; however, in our situation the abundance of coal is illusory. It has not resulted from changes in the technology of combustion or more economical production of energy; it has not been facilitated by construction coming up with "warmer" apartments, nor have the heating plants installed boilers with better output. Providence has favored us, chance has favored us, if we can attribute a tremendous decline in production to chance. By all signs, there will be a shortage of coal even if the coming winter is going to be similar to the last one. At that time, we will either breach our export contracts, or will restrict production in order not to shiver from cold in our houses. It is possible that an appeal for work on Saturdays off will be repeated.

Full warehouses and the illusory surplus are reassuring. At present, hardly anyone is interested in rebuilding reserves. First of all, the treasury with the enormous interest rate stands in the way. Therefore, why pay for something that will be handy only in the fall and winter? When the Kozienice Power Station approached its bank with a request for a loan to purchase coal the response was that it was not necessary to buy coal: It would suffice... to reduce reserves still more. This is a good idea in the spring and summer. However, in the fall, with production continuing to decline, there will be no physical opportunity to procure sufficient quantities of coal.

Creating state coal reserves would be a way out. Recently, the Solidarity of miners appealed to the prime minister with this very request. This would prevent the closure of the mines and mass layoffs of miners. It was estimated at the Hard Coal Conglomerate that an emergency purchase should amount to about 10 million tons (for 2 trillion zlotys). Coal can be stored at the storage sites of power stations, heating plants, at the mines, and in cooperative fuel warehouses. In the absence of such reserves, it will be impossible to fulfill export contracts in the fall and winter, which can scare away the buyers who were exceptionally accommodating to begin with.

Meanwhile, the storage sites would be filled with cheap coal. In the beginning of the year, the average sale price

amounted to 100,000 zlotys. The average cost of production is about 50,000 zlotys higher, and if we include transportation, which is incorporated in the price of coal (in a car at the station of destination), it is as much as 80,000 zlotys higher. Due to this situation, all mines are subsidized (the Rydułtowy Mine generates a small surplus but even this enterprise is going to go, hat in hand, for money any day). Subsidies keep afloat both the mines of the conglomerate and those theoretically independent.

This year, the government allocated almost 10 trillion zlotys for subsidies (last year, one-third that much). However, if current prices were to remain unchanged, an astronomical quota of 20 trillion zlotys in subsidies would be registered for the year! Mining has an opportunity to make do with 10 trillion if free, or moving official prices are introduced (effective 15 April, coal becomes 5 percent more expensive).

To be sure, free prices would improve the standing of large modern mines, for example Piast, at which the cost of producing one ton amounts to 86,000 zlotys, or Ziemowit, with 95,000 zlotys (they are selling it at 73,000 zlotys). However, hardly anyone would be interested in coal from the mines of Walbrzych: For example, at the Thorez Mine the cost of production came to 645,000 zlotys whereas the sale price for one ton was set at 147,000 zlotys! Under the circumstances, the simplest thing to do would be to close the Walbrzych mines, but what is to be done about 22,000 people?

If mining were to "break even" the price of coal should amount to between 250,000 and 300,000 zlotys; all indications are that we should expect this price in the fall. We should expect a one-time "blow" rather than moving prices which could disorganize the market. However, what will the result of an increase by a factor of 2.5 to 3 in coal prices for our economy and our coffers?

Liquidation

To be sure, the fall price hikes will not bring coal prices to free market levels but they will be a meaningful step in this direction. A complete market price (about 450,000 zlotys per ton) is even hard to imagine at this point. Major Western producers also subsidize coal, but in a different manner. Mines do not operate within purely coal-producing structures but rather on the principle of enterprises grouped within chemical, metallurgical, and steel concerns, the final product of which generates profits for the organization though individual elements are subsidized. For example, if the Walbrzych mines belonged to the same enterprise as the coke-oven plants and nearby ceramics plants it would be possible for the entire enterprise to be profitable.

Had the power station and the mine separated from it by a fence been the same company, "the war" would not have broken out between the "Sierszas." It is no accident that a majority of mines built before the war have coke-oven plants, power stations, and heating plants for neighbors. As recently as in the 1940's, they were one and the same enterprise...

It is already known that even the radical price increases will not invigorate all mines. Some will have to be auctioned off, though not this year. A period of liquidation is expected to last four to five years, and it is primarily associated with retraining the work force. Hence the proposal for help sent by the Hard Coal Conglomerate to the British specialists, in order not to reinvent the wheel. Their actions were effective, though at the time they were criticized by us a lot.

We use 50 percent more coal and 40 percent more steel than in the FRG in order to manufacture one hammer. It is estimated that 40 percent of our energy and heat "leak" into the air. If we eliminate such waste it may turn out that producing only 100 million tons is enough.

YUGOSLAVIA

Price System in Ferrous Metallurgy Needs Improvement

90BA0017B Belgrade *EKONOMSKA POLITIKA*
in Serbo-Croatian 5 Mar 90 pp 24-26

[Article by Slobodan Pejovic: "Testing the Market"]

[Text] The situation in Yugoslav ferrous metallurgy at this time is very bad. "They are already turning off our telephones," stated Milos Petrovic, the chairman of the Board of Directors of the Sisak Steelworks, adding that he had never been more pessimistic about a favorable outcome from the crisis, one of the most serious ones in postwar metallurgical history. Illiquidity, however, is only the tip of the iceberg, which is both a consequence of the general lack of money that is already affecting the entire Yugoslav economy, and a result of the losses caused by the December freeze on steel prices at a considerably lower level than other countries' domestic prices, and also than other infrastructural prices in Yugoslavia, which are also being controlled. "The federal government is not aware of how serious the problem of metallurgy is, and if it is not aware of it, than it is automatically ignoring the circumstances in which a failure to solve the problem of metallurgy could also wreck the reform," stated another experienced metallurgist, Ahmo Delic, until recently the director of the Zenica Steelworks, a part of the largest Yugoslav enterprise, the Mining and Metallurgical Combine [RMK] that is also headquartered in Zenica. A specific request and warning also came from the combine: "without \$50 million to compensate for price disparities, we cannot work," according to the president of this colossus in terms of the number of employees, Milan Malbasic, who added that "if the RMK falls, then so will 40 percent of the Bosnian economy."

The seriousness of the situation in national metallurgy is illustrated by the events of the last 15 days or so. Two emergency meetings were held by the Executive Committee of the professional Association, and only a few weeks before that (at the beginning of January), the directors of the steelworks met with Federal Executive

Council [FEC] Vice President Aleksandar Mitrovic. Two ministers also attended that meeting: Stevan Santo (industry and energy) and Nazmi Mustafa (trade). On Tuesday, 27 February, the two of them participated in the proceedings of the metallurgists' Executive Committee, when it was announced that Prime Minister Markovic himself would receive the steelworks directors on Friday, 2 February [as published]. After the open part of the meeting on Tuesday, which was also attended by several journalists, the steelworks directors continued their discussions privately, in order to prepare, as they stated, for the meeting with the Prime Minister; this should have meant defining specific requests. It will probably be known before this article appears which of those requests the FEC is willing to grant at this time, and so everything that follows should be taken as a description of the situation that "forced" what is happening. In any case, no spectacular solutions should be expected, for the simple reason that the problem of metallurgy is one of the most serious structural problems in the Yugoslav economy. It cannot be solved either quickly or efficiently, not just because a great deal of money is required to solve it quickly, but also because people do not know where to start and in what direction to go. What may be most interesting of all, however, is that this is the first sharp collision between Markovic's reforms, and enterprises as a product of the state planning system. This is especially the case since the economy as a whole has not yet reacted either to the program or to individual measures in it.

The Steelworks' Request

The key warning from the steelworks is that during the next few months the worst thing that could happen in this sector could take place—a halt in production. In a letter that he sent to Ante Markovic on 20 February, Milan Malbasic, the president of the Assembly of the Metallurgists' Association, said that "all the Yugoslav steelworks have fallen into such financial difficulties that the only question is when the "hot" facilities will begin to shut down in a chain reaction, because the domestic sales prices cover only 70-80 percent of the fixed costs," which leads further to "an accumulation of losses and a failure to meet obligations to suppliers. So far," Malbasic continued, "by forcing exports and using foreign advances we have somehow managed to keep the production cycle going; I must inform you, however, that further operation by most of the steelworks, especially those in Zenica, is in jeopardy." Malbasic illustrated these assertions with the fact that Zenica's unsettled due bills are already "more than double the outstanding payments due to it." At the Tuesday meeting, Ahmo Delic practically supplemented Malbasic's report to Markovic, announcing that 25 percent of the capacity of the coke plants had already shut down, along with part of the high furnaces and also some of the steel mills. Other directors did not provide details on which capacities were no longer in operation, but they did not rule out such possibilities. Rade Colic, the president of the Smederevo Steelworks, for example, stated that by not

paying, they had already blocked the work of the energy industry, railroads, and shipping; this, of course, would affect in return the shutdown of the steelworks. Dusko Colakovski, from the Skoplje Steelworks, said, "We are talking here about July as the time when the steelworks will go bankrupt, but we have already been blocked." The director of the Lukavac coke plant even added, "How is it possible to maintain production when the price of the coke cannot cover the price of the coking coal?"

What has actually happened? Ahmed Delic said that an oversight was committed in determining the prices. Igor Ursic (of the Slovene Steelworks) said, "We must now prove that there was a miscalculation in the disparities, and we know that it was not a printing error. We are also not suited by the entire economic policy, because this kind of metallurgy is a product of the system and it is impossible for us to resolve the situation ourselves. If Markovic convinces us that we do not know how to operate, we all know the consequences. But we assert that there are also mistakes on the other side."

The mistake pointed out by the metallurgists is that the prices for Yugoslav steel that were established on 20 December 1989 are not at the level of 80 percent of domestic prices in West Germany (as had been agreed), but rather considerably below that. More precisely, they are currently at a level of between 40 and 60.9 percent of EC base export prices (i.e., without the costs of transportation, tariffs, and customs duties). The prices of Yugoslav steel were at the level of 80 percent of domestic German prices only on 6 July 1989, and by the end of the year a drastic disparity had already occurred. It happened as follows: the prices that were set on 4 November were based on the estimated exchange rate of 100 DM per 3.78 million dinars, but the actual exchange rate on that day was 100 DM per 4.52 million dinars. That disparity entered into the rest of the calculation, and so instead of gaining the right to a further increase of 40 percent on 20 December, the metallurgists increased the prices by 8.5 percent. Furthermore, they affirm the same calculation was not used for the other infrastructural prices that were also being controlled, for which an exchange rate of 100 DM per 6.27 million dinars was recognized in mid-December. That, in turn, means that metallurgy is lagging behind the other (infrastructural) prices by fully 52.8 percent. This calculation is also supported by the official statistics, according to which the prices of ferrous metallurgy products in December 1989, compared to December 1988, had increased by 2,164 percent, while industry as a whole had a growth rate of 2,748 percent, energy 3,156 percent, and the metal processing branches, 3,015 percent. In addition to all of this, if it were agreed now that metallurgical prices were to be brought to the December level of industry prices, then they would have to increase by 27 percent. If metallurgical prices were to be adjusted to the prices of the metallurgical industry's inputs, however, then the increase would amount to a full 45 percent.

The problem, however, is not just the underestimated prices, but also several economic policy decisions. The possibility of obtaining credits from the primary issue for financing imports of raw materials from the East has been eliminated; selective credits and credits for the payment of salaries have been eliminated; in general, metallurgists have become unwanted guests at commercial banks; and on top of all this is the fact that metallurgy possesses only 20 percent of its own working capital, which means that it is condemned to work with other people's money. All in all, this led to an abrupt deterioration in financial results during the fourth quarter, after some encouragement in the middle of the year (when they had the best prices) when metallurgy had a high growth of production, an improvement in the utilization of business funds, a growth in productivity, and a reduction in losses. The culmination of poor results and poor liquidity is at hand, and so the directors are more than frightened, because, as one of them said, "A strike here means the destruction of the property." Furthermore, they feel abandoned. The local governments and banking systems cannot do anything, and the Federal Center, as we will see, is not prepared to yield either on the prices, or on credit and monetary policy.

The FEC's Answer

That was stated quite openly last Tuesday by Nazmi Mustafa. According to Mustafa, it is clear to the federal government that metallurgy is an industry of key importance, and that it has to act cautiously with it ("We took that position from the beginning"), because this is closely tied to the exchange rate of the dinar, which, in turn, is one of the key instruments, to the parity of which the entire arsenal of economic policy and economic measures will be tied, not just immediately after July, but also next year as well. Making exceptions to the selective credit policy is out of the question, and as far as the government is concerned, Mustafa continued, it does not even accept concepts like the elimination of disparities or (?INODOMICILNE) prices. The only criterion for prices can be market supply and demand, because any other concept of prices for any sector is inconsistent with an open economy. Admittedly, he announced that at the meeting with the FEC President, there could be a discussion of relief measures on the import side (tariffs and customs and other duties), and also some other solutions that could help to get through the current illiquidity and improve the material situation to some extent. "We have the most protected economy in the world, even more than what many developing countries have," Mustafa continued, adding that in "breaking up" that armor, particular consideration would be given to metallurgy, and that it would also have the status of the most protected sector in future solutions as well.

The metallurgists' quite blunt criticisms that they had been put into a situation where they saw no way out were

also answered bluntly by Stefan Santo, first with a warning that "the positions of the FEC and the metallurgists are not far apart," and then with a reminder that it has been known for a long time that the problem of metallurgy cannot be solved by means of prices. "This discussion as well has mostly dealt with long-standing problems," but the past is not worth discussing. "Even if you get prices that would cover your production costs, that would not solve your liquidity problem," stated Santo, adding that at this time it is most necessary to solve the problem of how to leave room for long-term operation. That operation implies restructuring: "After all, the halt in production that you are talking about is the beginning of restructuring," Santo stated, but "it should be clear to us at once that we do not have the money for elegant solutions." This probably means that it will not be possible, on the whole, to use any of the best solutions from the countries that have already restructured their metallurgical industries. Those countries had more money.

In this far from "gentle" dialogue, which, however, did not go beyond a framework of mutual respect, the metallurgists saw off the federal ministers with a remark that the federal government did not have any concept of how to solve metallurgy's problems. The ministers, however, neither confirmed nor denied this. Curious people, however, will wonder whether any comprehensive concept is even possible or even necessary at this time, above all because work is now under way on the following: the London firm British Steel Consultants, Ltd., has already employed 14 experts to visit all the Yugoslav steelworks in January and February, coinciding with the beginning of the implementation of the first phase of the project for the Unified Program for the Development of Yugoslav Metallurgy. The experts' initial findings are expected at the end of March, but that will only be the beginning of the realization of the large project ordered by the steelworks themselves. We have written previously about that project and the tasks that it includes, and it would be advisable to wait at least the initial results before any serious "solution of the long-term problems" of metallurgy. The present situation is truly alarming, and any errors in the initial responses to it could go beyond the metallurgical industry itself. It is precisely that situation, however, that is the first test of the reform, from which its creators can not only learn lessons but also score new political and professional points. Even if the price disparity for metallurgical products that we have described is not accidental, it was welcome, for the simple reason that metallurgy cannot survive with sporadic and incomplete improvements in its financial position. Many inefficiencies are built into it; they cannot be resolved either by directors or by collectives. A year or so ago, the representatives of the six steelworks could not even have started to talk about any development cooperation, because the development policies and the money for them were located in the

republics. Now metallurgists are being told in those same republics, "Go to Belgrade; we cannot help with anything." If that means the beginning of the formation of the federal state's economic power, and if that power is based on the best market traditions (and for the time being there are no indications otherwise), then it will also be easier to solve the accumulated problems through the

simultaneous introduction of the market. The current situation in Yugoslav metallurgy is the first serious test. If he gets out of it "in one piece," Markovic will confirm that he possesses the wisdom of a politician, which implies a cautious use of power, but he will also call attention to the fact that he also has the courage of a warrior, which implies taking certain risks.

HUNGARY

Dissident Union Chief Explains Why SZOT/MSZOSZ Unacceptable

90CH0066B Budapest HETI VILAGGAZDASAG
in Hungarian 31 Mar 90 p 22

[Interview with Janos Vadasz, national secretary of the Public Collections and Public Education Workers Trade Union, by Gabor Juhasz; place and date not given: "One Has To Be Independent in Order To Oppose"—first paragraph is HETI VILAGGAZDASAG introduction]

[Text] Several Hungarian trade unions think they recognize the disguised successor of the SZOT [National Council of Trade Unions] in the National Federation of Hungarian Trade Unions (MSZOSZ) that was formed in early March. The Public Collections and Public Education Workers Trade Union (KKDSZ) was the only union whose delegates participated in the entire debate at the federation's statutory congress, but decided at the very last minute not to join the federation. What was unacceptable to them in the MSZOSZ? This, among other things, is what we asked Janos Vadasz in our interview with him. At age 38, he is the national secretary of the KKDSZ.

[Juhasz] The delegates of your union were ejected from the statutory congress of the National Federation of Hungarian Trade Unions at the beginning of March. What had angered your opponents that much?

[Vadasz] We fought through the entire congress. But when we saw that we would be outvoted, we were unwilling to accept the federation's statutes. In other words, we did not join the MSZOSZ. Because of this, certain persons even threatened to beat us up at the end.

[Juhasz] Why? Which demands did the other trade unions find unacceptable?

[Vadasz] The practical recognition of equal rights and equal rank: the principle of an organizational structure based on parity, and the principle of decisionmaking by consensus. Our union was formed on 8 April 1989. It is rallying the workers employed in public education, libraries, museums, and archives. At the time of the union's formation we decided that the four professions would participate equally in representing and managing the union, regardless of how many members they each had. From the very beginning, we have insisted on decisionmaking by consensus, to prevent the larger and louder professions from dominating the smaller ones. There are in all 30,000 persons employed in the four professions we are representing. Initially only 5,000 of them joined the KKDSZ. Since then our membership has trebled. Fifteen new locals have just joined, now that it has become evident that we are not joining the MSZOSZ, the SZOT's successor. The instructions the KKDSZ Congress gave us in November were: Let there be a federation of trade unions, but only one in which the member organizations are independent and equal. Our

congress decided that the federation should not be a summit organization, and therefore it could not have a power apparatus or own assets. Within the federation we wanted equal representation for every trade union, regardless of size. Since these were our instructions, we would have been able to sign our union's accession to the federation only if we had been able to achieve these goals. We were able to achieve them within the Federation of Public Employees Trade Unions and we have joined it.

[Juhasz] Were there arguments against your proposals?

[Vadasz] What we experienced was mostly the other delegates' unwillingness to even consider what we actually wanted. They regarded our proposals merely as fault-finding. They had come to the congress determined "to form a federation." Thus, in the end, representation within the MSZOSZ has become proportional. What has been formed is actually a closed federation: there is a procedure for the admission of member unions, and the so-called recalcitrant ones can even be expelled. Not to mention the fact that the congress took no action on management policies and failed to adopt rules of organization and procedure. That, it was said, would be the task of the Federation Council, the federation's governing body. Which means that, for instance, the federation's apparatus will be drafting proposals defining its own future, which is absurd, in my opinion.

[Juhasz] Some trade unions—the ones belonging to the Democratic League of Independent Trade Unions, for example—did not even enter into talks about acceding to the federation. Others walked out from the congress while it was in progress. Why did you stay? Was it more effective to say 'no' at the very end?

[Vadasz] We wanted to achieve a radical change, a real reform. Incidentally, there were union delegates at the congress who were opposed to joining from the very outset. Others—the delegates of the Union of Court Employees, for example—left after the first day, because they realized that a democratic trade union federation could not be formed at that congress. In my opinion, our decision to stay and fight through the entire congress was the more difficult road. Another group consisted of those who left to their members the final decision on whether to join the federation. But the delegates of many of the unions immediately signed the declaration of accession. I simply do not understand how they dared to do so, without consulting their members. The draft statutes that had been published in advance and sent to the members was replaced by another draft on the morning of the congress. Obviously, the trade union members had not been able to see and approve the new draft.

[Juhasz] But now your trade union is standing here alone. Why don't you join the League, the competing federation?

[Vadasz] To our mind, the League is a party-favored grouping of trade unions. Its relations with the Alliance of Free Democrats seem too close for comfort. We are

fed up with federations centered around a single party. And we do not want to be the next government's trade union, either. We believe that we have to be independent in order to oppose. Our trade union also intends to function as a check in the future.

[Juhasz] Have all contacts between you and Sandor Nagy's MSZOSZ ceased?

[Vadasz] The MSZOSZ has been silent since we said 'no.' We do not know how to interpret their silence, but we hope they are not thinking that we now have nothing in common. Naturally, we too want our share of trade union assets. On a conservative estimate, assets worth between 4 and 5 billion forints are involved. That does not include state assets administered by trade unions.

[Juhasz] What do you mean by "a conservative estimate"?

[Vadasz] I mean that a two-room condominium on Rozsadomb, for instance, has a book value of 1.8 million forints. But no matter how realistic their valuation, those assets are jointly owned by all the trade unions, regardless of whether they belong to the MSZOSZ or not. We still succeeded in getting the congress to adopt the principle that the federation does not own any assets. But what happened in conjunction with NEPSZAVA is a warning. First it was declared that NEPSZAVA was the joint paper of all the trade unions. But the next day it was decided that the MSZOSZ was the paper's owner. We would hate to see the same thing happen somehow in conjunction with trade union assets. Needless to say, we intend to make NEPSZAVA's future our business.

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